

The Mining Journal

ANALYSIS OF RAND AND O.F.S. QUARTERLIES

JUNE QUARTERLY RESULTS ROUT BEARS OF KAFFIRS

The difficulty about assessing the outlook for continued prosperity at the present time is that it is not certain that the awkward bulges in the shape of the economy now appearing are entirely due to the Government's policy of disinflation.

The weight of evidence would say that it is. And, indeed, the general comment that the U.K. balance of payments has now been turned into a substantial surplus would in many cases be sufficient to make the point. If, however, more telling arguments are needed one can always point to the marked fall in hire purchase sales since restrictions were tightened last February; the easing off in stockbuilding (with the notable exception of steel), the falling away of demand for durable consumer goods, and the continued contraction of credit to the personal and professional group. Moreover, exports during the first six months of the year express an expansion of 14 per cent over the 1955 figures for the similar period.

In truth there are a host of examples to indicate the efficacy of the credit squeeze. By the same token the credit squeeze has come to be considered like some gadget, which once removed, will result in an automatic expansion in all the areas now under pressure. This has, of course, the merit of keeping up morale and confidence. It also has the defect that it masks the true position.

But what the true position is concerning the present period translated into hard facts and figures to represent the nation's balance sheet will not be known for many months. Governments, like companies, rarely hold more than one annual general meeting and that meeting will not be held until April.

ALL IS NOT WELL

Meanwhile, credit squeeze or no, there are some disturbing adverse features to think about. Sterling—now under adverse seasonal influences—is not holding up too well. Imports are still rising and the trade gap in June widened to £52,000,000 compared with £31,900,000 in May. Monthly gold returns, though still on the right side of the ledger, have been disappointing. Competition from Germany and Japan in particular has robbed this country of some of its potential markets as well as of immediate orders. In this context, the U.K.'s poor showing in the open competition for contracts for the first stage of the Kariba project in Rhodesia is a sharp and painful reminder of the effects of inflation on prices and, incidentally, that contracts put out to international tender are awarded on prices, not sentiment.

Extending the scope of the canvas the future outlook must also deal with the overseas sterling countries and with the United States.

With regard to the overseas sterling area countries dollar earnings are not expected to rise much this year and unless the somewhat tardy measures recently put into effect in Aust-

ralia and New Zealand achieve quick results it will be taken as satisfactory if dollar earnings do not deteriorate.

The big question mark overhanging the U.S.A. is whether the economy is headed for a recession or is on the threshold of another upward movement. This question is posed from this side of the Atlantic; it is almost impossible to find anyone from the States who is in any way despondent about the country's future—immediate or otherwise. Viewing the

U.S. economy from the City one obstacle to clear thinking on the subject is the height—or, should we say, strength—of the *Dow Jones Index* in the face of the steel strike and reports from all round the world of governments introducing deflationary legislation. Further, yields on what would be considered here as "blue chip" equities are very much lower on the average there than comparable stocks here, thereby, the argument runs, discounting some way ahead any sizeable expansion of industrial activity.

While it would be foolish in the extreme to argue because the *Dow Jones Index* is only a dozen points off its all-time

peak the U.S. economy will surge forward on the settlement of the steel strike and the appearance of the new car models in September; it is a mental strain to reason soundly that it is indicative of bad times ahead. It is partly because of the tendency in this country to be absorbed wholly with U.K. economic problems and partly because of the poor coverage given to the fundamental economic trends in the States that unless someone shouts "timber" no one sees the wood or the tree.

That seems to have happened in recent months. Prominence has been given to the discount rate increase, to the cut-backs in automobile production, and to the soft appearance of the building industry. But the real substance that should have been absorbed is that the automobile industry is reducing its inventories at a satisfactory rate, that overall employment and retail sales have been at record levels, and that the number of new homes to be started in 1956 is now estimated at 1,150,000 compared with an annual average rate of 1,100,000 maintained in the opening months of the year. According to the July issue of the New York City Bank Monthly Letter, official surveys indicate that non-residential construction activity and business capital expenditure will continue their record breaking pace in the second half of this year. Moreover, the Letter continues, the additional funds made available by Federal Reserve authorities to meet seasonal credit needs, together with the stability of overall business measures, has banished what pessimism there was arising out of the tightening of money. Indeed, the feature of the first six months of U.S. business activity has been the remarkable steadiness of its major economic indicators, namely, industrial production, retail sales, constructional expenditures, and total government purchases of goods and services.

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FINANCIAL RESULTS

(Cumulative and comparative "this" financial year to June 30, 1956 with "last.")

GROUP	COMPANY	ORDINARY SHARES IN ISSUE	Months since year end	PROFIT AND LOSS RESULTS £(000)								Current financial year's capital expenditure (Gold) £(000)	EARNINGS, DIVIDENDS & YIELD							
				Working Profit		Uranium Profit (d)		Taxation and/or Mining Lease		Net Profit After Tax**			Earnings in current year to date**	Declared					Yield on Price 23/7/56 (0/0)	
				This	Last	This	Last	This	Last	This	Last			s. d.	s. d.	s. d.	s. d.			
																		1955-56		1954-55
Gold Fields	D'nfontein.....	9,828,000 (10/-)	12	1055.9	1020.0	—	—	—	—	1065.6	1020.1	953.1	2/2	—	—	—	—	—	—	
	Libanon.....	7,937,300 (10/-)	12	663.4	652.8	—	—	—	—	671.9	652.8	471.3	1/8	3½	3½	3	3	8	0	
	Luipards Vlei.....	4,964,105 (2/-)	12	223.6	472.2	333.6	122.0	5.6	9.0	562.3	585.2	70.6	2/3	9	7½	7½	7½	10	0	
	Rietfontein C.....	1,122,252 (5/-)	6	109.5	122.8	—	—	48.9	62.6	62.1	60.2	2.5	1/1	1	1	2	1	1	3	
	Robinson Deep.....	2,000,000 n (7/6)	6	9.1	122.5	—	—	—	15.1	24.1	107.4	44.0	3d.	3	1	6	1	6	1	
	Simmer.....	6,750,000 (2/6)	6	93.5	103.6	—	—	4.5	7.4	102.2	96.2	4.0	4d.	5	5	4	5½	23	0	
	Sub Nigel.....	1,771,875 (10/-)	12	890.0	1099.0	—	—	383.5	534.0	518.7	565.0	5.0	5/10	3	0	3	3	6	3	
	Venterspost.....	4,900,000 (10/-)	12	883.2	791.9	—	—	203.8	181.1	692.7	610.8	94.2	2/10	9	7½	6	6	10	4	
	Vlakfontein.....	6,000,000 (10/-)	6	445.0	440.8	—	—	166.4	183.1	282.6	257.7	70.4	11d.	9	8	8	7½	8	0	
	Vogels.....	5,028,571 (10/-)	6	559.4	674.1	163.0	79.0	271.3	250.9	459.1	502.2	9.0	1/10	1	8	1	8	1	7½	
W. Drie.....	7,041,080 (10/-)	12	566.1	426.7	—	—	1955.7	1339.2	3731.0	2928.6	1783.6	10/7	2	9	2	6	2	3		
Anglo American	Brakpan.....	4,600,000 (5/-)	6	83.3	87.9	—	—	8.7	10.7	81.4	76.2	1.0	4d.	4½	7½	4½	6	17	4	
	Dagga.....	7,000,000 (5/-)	6	1679.1	1905.4	565.4	473.4	1304.3	1380.0	958.2	999.2	80.4	2/9	2	9	3	0	2	9	
	East Dagga.....	3,730,000 (10/-)	6	220.1	285.4	—	—	87.2	131.0	138.7	152.9	0.5	9d.	9	10½	9	9	18	1	
	F. S. Geduld (I).....	8,798,756 (5/-)	9	206.9	—	—	—	—	—	208.2	—	1476.8	6d.	—	—	—	—	—	—	
	Lorraine (J)††.....	16,453,372 (10/-)	9	1225.7	—	—	—	—	—	1223.0	—	791.1	—	—	—	—	—	—	—	
	P. Brand ††.....	13,000,000 (5/-)	9	3115.9	—	179.9	—	—	—	3311.4	—	608.5	5/1	—	1	6	1	0	—	
	P. Steyn ††.....	13,000,000 (5/-)	9	1614.8	—	297.6	—	—	—	1923.6	—	255.9	2/11	—	9	6	—	—	—	
	S.A. Lands.....	2,475,000 (3/6)	6	330.8	336.3	—	—	138.6	146.0	198.6	190.3	6.4	1/8	1	6	1	6	1	6	
	Springs.....	10,110,000 (5/-)	6	73.5	48.5	—	—	8.7	8.3	70.8	39.4	—	2d.	2½	5½	—	—	2½	23	
	Vaal Reef (k).....	10,000,000 (5/-)	6	127.5	—	48.5	—	—	—	176.0	—	1296.2	4d.	—	—	—	—	—	—	
Central Mining	Welkom ††.....	12,250,000 (5/-)	9	252.6	—	—	—	—	—	259.2	—	782.8	5d.	—	—	—	—	—	—	
	W. Holdings ††.....	7,496,376 (5/-)	9	1604.2	—	—	—	—	—	1614.4	—	878.4	4/4	—	1	6	1	6	—	
	W. Reef.....	7,000,000 (5/-)	6	279.3	326.9	494.6	409.6	275.1	178.0	507.4	558.5	28.7	1/5	1	3	1	3	1	3	
	Blyvoor.....	24,000,000 (2/6)	12	5172.6	5564.4	681.0	633.2	3135.0	3272.9	2816.8	2956.4	304.8	2/4	1	0	1	0	1	1	
	City Deep.....	2,026,832 (£1)	6	15.9	17.3	—	—	—	2.2	47.9	65.4	39.8	6d.	—	—	—	—	6	—	
	Cons. M.R.....	1,247,602 (£1)	12	176.6	311.2	—	—	7.6	78.5	219.4	297.1	—	3/6	2	0	2	6	2	0	
	Crown Mines.....	1,886,125 (10/-)	6	185.7	297.0	—	—	31.6	108.8	232.0	461.9	1.2	2/6	3	0	3	6	3	6	
	Durban Deep.....	2,325,000 (10/-)	6	304.7	292.1	—	—	49.3	51.8	286.8	211.5	49.5	2/5	1	3	1	3	1	6	
	E. Rand Prop.....	3,960,000 (10/-)	6	1048.4	935.1	—	—	322.0	334.3	784.5	683.2	277.6	4/-	2	0	2	0	1	9	
	Harmony.....	18,000,000 (5/-)	12	1776.5	625.9	667.3	160.4	0.2	—	2449.0	661.7	1762.4	2/9	—	—	—	—	—	—	
J.C.L.	Modder B.....	2,800,000 (1/6)	6	0.6	6.1	—	—	2.9	2.6	16.7	33.4	—	1d.	—	—	—	—	—	—	
	Modder E.....	930,805 (£1)	12	79.2	177.8	—	—	16.4	56.1	84.1	145.7	—	1/10	1	0	1	3	1	6	
	New Modder.....	2,800,000 (3/-)	12	16.4	7.4	—	—	0.9	2.3	19.1	11.6	—	2d.	—	—	—	—	—	—	
	Rose Deep.....	700,000 (11/6)	6	7.5	46.6	—	—	2.6	14.9	13.2	65.2	0.3	4d.	—	—	—	—	—	—	
	T'vaal G.M.E. ‡.....	952,500 (£1)	6	14.2	1.7	—	—	—	—	11.0	16.0	3.0	3d.	—	5	3	6	6	—	
	Welgedacht.....	1,358,030 (10/-)	12	1.8	13.9	—	—	—	—	0.9	9.8	—	—	—	—	—	—	—	—	
	E. CKp d'Or.....	2,097,000 (2/6)	6	36.7h	††	(J)	—	7.3	—	29.9	36.2	—	4d.	—	3	4	3	—	19	
	Freddies Cons.....	16,359,913 (£1)	6	1157.3h	††	(J)	—	—	—	1183.4	1231.7	138.6	3d.	—	—	—	—	—	—	
	Govt. G.M.A.....	5,600,000 (5/-)	6	66.9	116.1	—	—	15.0	27.7	104.2	154.5	17.4	5d.	—	3	3	4½	7½	13	
	Randfontein.....	4,063,553 (£1)	6	614.6h	††	(J)	—	1.5	—	622.7	548.2	120.0	3/1	2	6	2	6	2	0	
Union Corporation	East Geduld.....	9,000,000 (4/-)	6	1877.8	2052.7	—	—	1005.2	1145.8	942.1	954.3	5.5	2/1	2	0	2	3	2	0	
	Geduld Prop.....	1,460,857 (£1)	6	204.2	268.7	—	—	67.8	112.5	508.0	514.6	—	6/11	6	9	8	0	6	9	
	Grootvlei.....	11,438,816 (5/-)	6	1359.7	1423.8	—	—	697.1	776.5	701.2	661.4	3.1	1/3	1	1	4	1	1	1	
	Marievale.....	4,500,000 (10/-)	6	511.0	525.4	—	—	249.8	267.7	277.3	260.0	27.6	1/3	1	0	1	3	1	0	
	St. Helena.....	9,625,000 (10/-)	6	960.1	726.6	—	—	29.2	29.8	942.1	696.8	645.8	1/11	—	6	—	—	—	—	
	Van Dyk.....	5,532,000 (10/-)	6	9.5	9.7	—	—	—	—	20.0	10.3	4.4	1d.	—	—	—	—	—	—	
General Mining	Ellaton.....	787,500 (5/-)	12	391.9	629.4	166.7	85.2	—	—	563.5	714.6	54.1	14/4	—	—	—	—	—	—	
	Stilfontein.....	13,062,920 (5/-)	6	1222.6	1238.8	165.8	102.2	—	—	1401.7	1341.0	518.5	2/2	—	6	6	6	6	3	
	S. Rooopoot.....	1,420,662 (10/-)	12	260.0	233.3	—	—	86.6	73.0	185.7	169.5	40.5	2/7	1	1½	10½	10½	9	—	
	W. Rand.....	4,250,000 (10/-)	6	1277.3h	††	(J)	—	508.0	515.0	705.4	651.1	121.3	3/-	1	9	2	0	1	9	
Anglo-Tvaal	Hartebeest ††.....	9,000,000 (10/-)	12	1491.3	—	—	—	—	—	1411.2	—	1602.9	3/2	1	0	—	—	—	—	
	Klerksdorp (s).....	300,000 (5/-)	6	131.4	110.2	64.4	10.3	—	—	34.1	10.2	4.2	2/3	—	—	—	—	—	—	
	Rand Leases.....	3,600,000 (10/-)	12	201.1	488.6	—	—	5.0	62.5	253.0	475.5	209.8	1/5	3	6	6	6	15	0	
	Village M.R.....	6,068,457 (1/3)	12	106.6	118.2	—	—	34.5	34.0	79.7	87.9	—	3d.	1½	1½	1½	1½	—	—	
	Virginia ††.....	13,278,952 (5/-)	6	159.1	74.5	536.2	28.8	—	—	589.4	0.1	455.3	11d.	—	—	—	—	—	—	
	Merrlespruit (I).....	9,001,348 (5/-)	12	170.2	—	19.6	—	—	—	126.6	—	1117.7	2d.	—	—	—	—	—	—	
Others	N. Kleinfontein.....	1,735,000 (£1)	6	15.1	35.0	—	—	0.3	0.8	19.4	34.2	—	3d.	—	—	3	3	9	5	
	Spaarwater.....	7,974,968 (5/-)	6	2.8	7.1	—	—	—	—	3.1	7.1	0.4	—	—	—	—	—	—	—	
	W. Nigel.....	7,974,720 (2/6)	12	84.1	104.5	—	—	—	—	93.9	112.4	101.9	3d.	—	1½	—	—	1½	7	

**Includes sundry revenue less sundry expenses ††Calculated on net profit after tax *Calculated on stopping width §After deferred shares participation ‡Also loan capital and/or loans other than uranium Italics: Scheduled uranium producers L indicates loss ‡Profit figures take into account £18,902 from sale of copper/gold concentrates ††Previous year's figures not comparable aAlso 25,000 deferred shares (£1) which take first 25 per cent of distributable profits

(Continued on opposite page)

DEVELOPMENT AND MILLING RESULTS

(Cumulative and comparative "this" financial year to June 30, 1956 with "last.")

GROUP	COMPANY	Months since year end	TOTAL ORE RESERVES			DEVELOPMENT RESULTS										MILL THROUGHPUT											
						Payability					Tonnage					Gold Recovered						Working Profit					
			Tons (000)	Value (dwt.)	Inch dwt.	Ft. Sampled (000)		%	Av. Value (In. dwt.)		Milled (000)		Cost per Ton		Ounces (000)	Grade (dwt. per ton)		Cost per ounce		Per ton		Per oz.					
						This	Last		This	Last	This	Last	This	Last		This	Last	This	Last	This	Last	This	Last	This	Last		
Gold Fields	D'nfontein	12	1,246	6.9	276	16.0	10.7	93	93	394*	368*	663	398	68/8	55/10	266.6	214.4	8.0	7.2	170/10	155/8	31/10	34/1	79/3	95/2		
	Libanon	12	2,399	4.7	234	13.1	17.7	71	73	284*	271*	1,177	1,191	43/4	41/8	257.0	250.0	4.4	4.2	198/4	198/9	11/3	11/-	51/7	52/3		
	Luipaards Vlei	12	2,040	4.4	178	20.4	19.6	67	59	249*	256*	1,043	1,228	41/8	42/-	191.4	243.1	3.7	4.0	226/11	212/1	4/3	7/8	23/4	38/10		
	Rietfontein C.	6	339	5.1	272	4.0	2.4	38	37	494*	391*	156	160	42/6	41/3	35.3	36.0	4.5	4.5	187/9	183/3	14/-	15/4	62/-	68/3		
	Robinson Dp.	6	1,076	4.4	229	1.6	3.0	94	50	322*	331*	466	493	51/4	49/1	96.5	106.0	4.1	4.3	247/10	228/5	5d.	5/-	1/11	23/1		
	Simmer	6	1,143	4.2	203	12.4	9.4	52	46	291*	247*	610	711	40/3	39/3	105.9	119.4	3.5	3.4	231/11	233/11	3/1	2/11	17/8	17/4		
	Sub Nigel	12	987	7.7	293	28.6	33.0	24	29	365*	346*	749	749	55/5	54/5	247.1	259.7	6.2	6.5	178/1	166/3	22/5	27/8	72/-	84/7		
	Venterspost	12	2,590	5.4	291	31.0	21.3	60	60	328*	374*	1,456	1,314	47/1	49/3	344.7	320.8	4.7	4.9	198/11	201/7	12/2	12/1	51/3	49/4		
	Vlakfontein	6	1,504	8.3	337	12.5	14.0	43	46	358*	358*	248	232	54/10	54/4	90.3	85.2	7.3	7.3	150/6	147/11	35/11	38/-	98/7	103/6		
	Vogels	6	2,885	5.4	227	17.7	13.4	32	35	250*	231*	603	617	44/8	43/2	152.4	159.2	5.1	5.2	176/11	167/4	18/7	21/10	73/5	84/8		
W. Drie	12	1,438	16.8	707	20.8	17.2	100	100	859*	804*	852	712	75/3	71/7	708.8	542.9	16.6	15.3	90/6	93/11	132/11	119/11	159/9	157/3			
Anglo American	Brakpan	6	2,777	4.8	479	23.9	23.3	28	30	674	638	638	637	40/2	40/2	108.7	108.8	3.4	3.4	235/6	235/1	2/8	2/9	15/4	16/2		
	Dagga	6	12,768	5.3	232	13.1	21.3	30	35	392	425	1,294	1,356	31/-	29/3	294.1	309.4	4.5	4.6	136/5	128/2	25/11	28/1	114/2	123/2		
	East Dagga	6	4,206	4.2	155	14.2	17.4	25	26	401	293	572	576	33/8	32/-	94.4	96.2	3.3	3.3	203/11	191/10	7/8	9/11	46/8	59/4		
	F.S. Geduld	9	—	—	—	7.3	—	96	—	1,019	—	221	—	69/5	—	78.0	—	7.1	—	196/9	—	18/9	—	53/-	—		
	Lorraine	9	509	4.1	162	26.0	—	32	—	443	—	398	—	53/5	—	66.8	—	3.4	—	318/3	—	L11/4	—	167/7	—		
	P. Brand	9	1,573	18.2	906	13.6	—	90	—	1,074	—	476	—	67/7	—	377.2	—	15.8	—	85/3	—	130/11	—	165/3	—		
	P. Steyn	9	2,524	8.5	408	13.6	—	68	—	499	—	769	—	50/6	—	284.0	—	7.4	—	136/8	—	42/-	—	113/8	—		
	S.A. Lands	6	3,679	5.6	238	15.6	16.9	37	42	420	475	528	570	38/-	35/5	106.5	107.3	4.0	3.8	188/3	188/3	12/6	11/10	62/2	62/8		
	Springs	6	2,347	4.8	211	7.3	10.1	16	26	286	338	754	713	28/8	32/-	92.1	94.6	2.4	2.7	234/7	241/-	1/11	1/4	15/11	10/3		
	Vaal Reefs (k)	6	—	—	—	8.9	—	91	—	658	—	93	—	57/1	—	31.5	—	6.8	—	168/6	—	27/5	—	80/11	—		
Central Mining	Welkom	9	2,355	5.9	296	15.8	—	87	—	493	—	750	—	47/4	—	161.7	—	4.3	—	219/7	—	6/9	—	31/3	—		
	W. Holdings	9	2,273	10.8	507	10.5	—	86	—	891	—	683	—	51/1	—	267.5	—	7.8	—	130/4	—	47/-	—	119/11	—		
	W. Reefs	6	4,375	5.1	238	19.4	17.4	53	47	430	503	720	707	41/8	37/7	141.9	131.7	3.9	3.7	211/3	201/8	7/9	9/3	39/4	49/8		
	Blyvoor	12	6,865	12.1	559	17.2	17.8	95	90	764	711	1,267	1,257	59/3	55/9	713.1	722.8	11.3	11.5	105/3	96/11	81/8	88/6	145/1	154/-		
	City Deep	6	4,404	6.1	260	18.3	16.6	42	36	350	345	888	958	48/3	47/1	173.0	182.3	3.9	3.7	247/8	252/-	4d.	L2d.	1/10	L10d.		
	Cons. M.R.	12	3,021	3.9	209	21.3	24.0	34	37	338	252	2,035	2,086	33/6	33/2	286.4	300.5	2.8	2.9	237/10	230/2	1/9	3/-	12/4	20/8		
	Crown Mines	6	10,297	4.9	238	32.2	22.6	32	37	317	313	1,720	1,778	37/2	37/2	271.2	286.5	3.2	3.2	235/10	230/6	2/2	3/4	13/8	20/9		
	Durban Dp.	6	8,982	4.1	249	16.7	19.2	52	38	372	354	1,081	1,060	37/5	37/-	186.4	179.5	3.4	3.4	216/11	218/9	5/9	5/6	32/8	32/6		
	E. Rand Prop.	6	6,290	6.1	288	8.5	7.7	52	49	455	585	1,250	1,266	48/1	45/2	324.9	302.2	5.2	4.8	185/-	189/5	16/9	14/9	64/6	61/11		
	Harmony	12	1,846	8.5	463	19.0	7.5	72	76	468	496	897	495	56/9	62/9	345.5	173.6	7.7	7.0	147/3	179/-	39/7	25/4	102/10	72/1		
J.C.L.	Modder B.	6	50	3.0	162	—	—	—	—	—	—	309	342	24/4	24/11	30.0	34.3	1.9	2.0	250/7	248/2	—	4d.	4d.	3/7		
	Modder E.	12	1,590	3.2	144	7.1	6.6	14	27	196	205	1,577	1,490	25/4	25/6	165.8	165.2	2.1	2.2	240/9	230/-	1/-	2/5	9/7	21/6		
	New Modder	12	—	—	—	—	—	—	—	—	—	131	122	30/10	36/-	17.4	18.2	2.7	3.0	232/5	242/2	2/6	1/2	18/10	8/2		
	Rose Deep	6	584	4.3	248	3.4	6.3	47	21	278	422	264	361	40/3	36/8	43.1	56.4	3.3	3.1	246/5	234/10	7d.	2/7	3/5	16/6		
	T'vaal G.M.E.	6	51	8.2	—	3.1	2.7	42	37	243	220	115	141	59/3	57/10	24.1	30.6	4.2	4.3	282/11	266/8	L9d.	3d.	L3/6	1/1		
	Weigedacht	12	—	—	—	5.3	5.1	49	27	149	143	407	398	28/1	28/7	45.8	46.3	2.3	2.3	249/10	245/8	1d.	8d.	9d.	6/-		
	E. Ck'p d'Or	6	—	—	—	—	—	—	—	—	—	89	119	(A)	—	5.8	9.2	1.3	1.6	—	—	—	—	—	—		
	Freddies C.	6	885	5.0	205	5.5	5.7	60	67	389	315	369	495	(A)	—	72.2	78.2	3.9	3.2	—	—	—	—	—	—		
	Govt. G.M.A.	6	3,797	3.2	173	7.7	10.5	34	39	243	257	1,439	1,515	31/5	30/9	181.0	192.7	2.5	2.5	249/6	242/-	10d.	1/6	7/4	12/1		
	Randfontein	6	1,453	3.7	200	2.4	2.1	50	41	231	387	1,468	1,517	(A)	—	142.0	171.5	1.9	2.3	—	—	—	—	—	—		
Union Corporation	East Geduld	6	10,700	5.8	302	3.2	4.2	47	71	241	405	855	887	33/2	31/-	264.2	272.8	6.2	6.2	107/3	100/8	43/11	46/3	142/2	150/6		
	Geduld Prop.	6	1,500	3.6	194	6.8	5.6	38	25	305	254	621	606	33/3	32/4	98.9	99.3	3.2	3.3	208/7	197/5	6/7	8/10	41/3	54/1		
	Grootvlei	6	15,500	4.6	216	11.3	10.5	49	51	203	248	1,159	1,145	30/4	29/5	250.1	247.6	4.3	4.3	140/6	136/2	23/5	24/10	108/9	115/-		
	Marievale	6	4,500	5.4	254	12.2	14.9	37	42	259	239	423	425	41/3	40/3	110.9	109.9	5.2	5.2	157/5	155/6	24/1	24/9	92/1	95/7		
	St. Helena	6	3,000	6.0	330	7.0	9.9	59	56	430	412	614	620	41/4	40/5	178.7	157.6	5.8	5.1	142/-	158/11	31/2	23/5	107/5	92/3		
General Mining	Van Dyk	6	1,100	3.7	155	9.3	9.3	22	24	288	327	480	478	40/1	41/3	77.9	79.3	3.2	3.3	247/1	248/9	5d.	5d.	2/5	2/5		
	Ellaton	12	576	6.3	279	11.3	7.5	41	67	401	316	377	351	42/-	45/2	94.6	113.4	5.0	6.5	167/3	139/9	20/9	35/10	82/10	111/-		
	Stilfontein	6	3,506	8.7	312	7.6	7.8	89	77	484	294	528	501	51/8	49/3	207.4	196.8	7.9	7.9	131/6	125/5	46/4	49/5	117/10	125/11		
	S. Rooopoot	12	1,110	4.8	226	15.2	13.8	41	41	260	278	330	330	41/3	39/9	75.4	71.1	4.6	4.3	180/7	184/7	15/9	14/2	69/-	65/8		
Anglo T'vaal	W. Rand	6	5,900	3.2	163	12.2	10.9	58	63	297	284	1,401	1,410	(A)	—	142.8	165.8	2.0	2.3	—	—	—	—	—	—		
	Hartebeest	12	1,682	9.6	388	27.8	—	95	—	442	—	652	—	66/9	—	293.4	—	9.0	—	148/4	—	45/9	—	101/8	—		
	Klerksdorp	6	243	2.6	116	1.0	2.4	30	18	225	125	64	67	38/10	34/7	7.4	8.4	2.3	2.5	335/11	276/-	L9/10	L3/1	L84/10	L24/3		
	Rand Leases	12	3,852	4.0	189	45.1	39.6	43	46	248	273	2,143	2,227	37/10	36/10	340.0	366.9	3.2	3.3								

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

(Incorporated in the Union of South Africa)

GOLD MINING COMPANIES' DIRECTORS' REPORTS FOR THE QUARTER ENDED 30th JUNE, 1956

(All Companies mentioned are incorporated in the Union of South Africa)

FREE STATE GEDULD MINES, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £2,199,688 10s. 0d.

(NOTES :

(i) As consideration for granting the Company loan facilities open until 31st December, 1960, Anglo American Corporation of South Africa, Limited, will receive the right on the 31st December, 1957, to subscribe for 497,346 of the reserve shares in the Company at a price of 80s. per share.

(ii) Members registered in the books of the Company on the 31st December, 1957 (and holders of Bearer Warrants), will receive the right to subscribe for the remaining 703,900 reserve shares in the proportion of two new shares for every 25 shares held at that date at a price of 80s. per share (fractions of new shares being disregarded.)

OPERATING RESULTS

Tons milled 116,500	Ounces fine 42,934	Yield per ton 7.37 dwts.	Per ton milled
			s. d.
Working Revenue	£535,197		9 10
Working Costs	406,495		69 9
WORKING PROFIT	£128,702		22 1

The Company commenced production on the 1st January, 1956, and the estimated working profit for the six months ended 30th June, 1956, is £206,947.

No taxation and no share of profit are payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £341,189, which includes an amount of £192,000 in respect of underground development.

UNDERGROUND DEVELOPMENT.—During the quarter 26,823 ft. of underground development were accomplished with the following results :—

Sampled : 3,185 ft., averaging 176.28 dwts. over 7.04 in., equivalent to 1,241 in.-dwts.

Payable : 3,110 ft., equal to 97.6 per cent of the footage sampled, averaging 178.48 dwts. over 7.11 inches, equivalent to 1,269 in.-dwts.

The results obtained in the vicinity of individual shafts were :—

No. 1 Shaft Area :

Sampled : 830 ft., averaging 76.45 dwts. over 6.55 in., equivalent to 501 in.-dwts.

Payable : 755 ft., equal to 91.0 per cent of the footage sampled, averaging 79.95 dwts. over 6.79 in., equivalent to 543 in.-dwts.

No. 2 Shaft Area :

Sampled : 2,355 ft., all of which proved payable, averaging 208.32 dwts. over 7.21 in., equivalent to 1,502 in.-dwts.

In the area south of the water-bearing zone, which was referred to in the report for the quarter ended 31st March, 1956, the following results were obtained :—

Sampled : 1,170 ft., all of which proved payable, averaging 236.15 dwts. over 8.41 in., equivalent to 1,986 in.-dwts.

These results are included in the results for No. 2 Shaft given above.

During the quarter, members were advised by Press announcement that holdings had been effected between 53 haulage north from the Company's No. 1 Shaft and the 55 haulage south from the Company's No. 3 Shaft (the shaft acquired from Freddie Consolidated Mines, Limited, in 1955) and also between the 41 haulage north from Western Holdings, Limited, No. 1 Shaft and the 43 haulage south from the Company's No. 2 Shaft.

URANIUM.—During the quarter the Atomic Energy Board of South Africa approved the application by Loraine Gold Mines, Limited, to become a uranium producer. The Loraine Company will participate in a joint uranium production scheme with Freddie Consolidated Mines, Limited, and the five gold mines in the Welkom area (including this Company) which are administered by the Anglo American Corporation of South Africa, Limited, and which are either currently producing uranium or, as in the case of this Company, are entitled to produce uranium.

SPRINGS MINES, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £2,527,500

OPERATING RESULTS

Tons milled 378,000	Ounces fine 45,894.31	Yield per ton 2.428 dwts.	Per ton milled
			s. d.
Working Revenue	£571,823		30 3
Working Costs	543,147		28 9
WORKING PROFIT	£28,676		1 6

The estimated working profit for the six months ended 30th June, 1956, is £73,550.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the six months ended 30th June, 1956, is £8,750.

CAPITAL EXPENDITURE.—NIL.

DIVIDEND.—Dividend No. 67 of 2½d. per share was declared on the 5th June, 1956, payable to all shareholders registered in the books of the Company on the 29th of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 8th August, 1956.

DEVELOPMENT.—The development footage for the quarter totalled 4,195 ft., and gave the following results :—

Sampled : 3,390 ft., averaging 6.80 dwts. over 12.81 in., equivalent to 87 in.-dwts.

Payable : 570 ft., equal to 16.8 per cent of the footage sampled, averaging 18.61 dwts. over 13.51 inches, equivalent to 251 in.-dwts.

VAAL REEFS EXPLORATION AND MINING COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £2,500,000

CAPITAL.—In terms of a Special Resolution passed at an Extraordinary General Meeting of members of the Company held on the 19th June, 1956, the authorised capital of the company was increased from £2,500,000 in 10,000,000 shares of 5s. each, to £2,625,000, in 10,500,000 shares of 5s. each. The increase in capital has been duly registered.

The 500,000 shares, comprising the present unissued share capital of the company, are reserved to meet the right granted to Anglo American Corporation of South Africa, Limited, to subscribe in whole or in part, on or before the 1st July, 1958, for 500,000 shares in the company at 35s. per share, in terms of the arrangements advised to members in a notice published in the Press on the 24th April, 1956, and in a circular despatched to members on the 28th May, 1956.

OPERATING RESULTS.—Gold and uranium production commenced at the company's mine on the 1st May, 1956. The following results were obtained during the months of May and June, 1956 :—

Tons milled 93,000	Ounces fine 31,532.32	Yield per ton 6.781 dwts.	Per ton milled
			s. d.
GOLD—			
Working Revenue	£392,881		84 6
Working Costs	265,384		57 1
Working Profit	£127,497		27 5
URANIUM—			
Working Profit (estimated)	48,500		
TOTAL WORKING PROFIT	£175,997		

Deliveries of uranium oxide commenced during the latter part of May.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—No taxation and no share of profits are payable to the Government.

CAPITAL EXPENDITURE.—£549,899, which includes expenditure on the uranium plant amounting to £114,310. Of the underground development costs incurred during the months of May and June, 1956, an amount of £24,000 was charged to Capital Account. This amount is included in the total of £549,899.

DEVELOPMENT.—The development footage for the quarter totalled 11,441 ft. and gave the following results :—

Sampled : 4,355 ft., averaging 62.92 dwts. over 10.14 inches, equivalent to 638 in.-dwts.

Payable : 3,960 ft., equal to 90.9 per cent of the footage sampled, averaging 68.79 dwts. over 10.06 in., equivalent to 692 in.-dwts.

No. 1 SHAFT SYSTEM.—No. 1 Vertical Shaft : During the quarter the shaft was equipped except for the installation of the permanent pipe columns and cables. All hoists were commissioned. Work has commenced on the headgear bins.

No. 1 Sub-Vertical Shaft : This shaft was sunk and lined to a final depth of 3,367 ft.

The installation of the permanent equipment in the headgear has been completed and at the end of the quarter 1,700 ft. of shaft had been equipped.

The erection of the man hoist was completed and this hoist is now in commission.

No. 1 Ventilation Shaft : All the sinking equipment has been stripped, the fan drift has been completed and the fan installations have been tested and are ready to be put into operation.

Ore and Waste Passes : Both the ore and waste pass systems are nearing completion.

EUROPEAN HOUSING.—A further 35 houses were completed, providing a total of 320. A new block of staff single quarters was completed.

ASSAY OFFICE AND URANIUM LABORATORY.—The assay office is in commission and the uranium laboratory is nearing completion.

COMPOUNDS.—A further 39 rooms were completed, making a total of 171 rooms. The erection of the kitchen block is progressing satisfactorily. The crush and lamp room has been completed.

BRAKPAN MINES, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £1,150,000

OPERATING RESULTS

Tons milled 319,000	Ounces fine 54,308.89	Yield per ton 3.405 dwts.	Per ton milled
			s. d.
Working Revenue	£677,774		42 6
Working Costs	645,148		40 5
WORKING PROFIT	£32,626		2 1

The estimated working profit for the six months ended 30th June, 1956, is £83,300.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the six months ended 30th June, 1956, is £8,700.

CAPITAL EXPENDITURE.—£227.

DIVIDEND.—Dividend No. 87 of 4½d. per share was declared on the 5th June, 1956, payable to all shareholders registered in the books of the Company on the 29th of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 8th August, 1956.

DEVELOPMENT.—The development footage for the quarter totalled 15,557 ft. and gave the following results :—

Sampled : 12,665 ft., averaging 4.30 dwts. over 59.23 in., equivalent to 255 in.-dwts.

Payable : 3,740 ft., equal to 29.5 per cent of the footage sampled, averaging 10.80 dwts. over 57.03 in., equivalent to 616 in.-dwts.

EAST DAGGAFONTEIN MINES, LIMITED

ISSUED CAPITAL (In shares of 10s. each) £1,865,000

OPERATING RESULTS		
Tons milled 288,500	Ounces fine 47,395.21	Yield per ton 3.286 dwts.
		Per ton milled
		s. d.
Working Revenue	£591,284	41 0
Working Costs	484,234	33 7
WORKING PROFIT	£107,050	7 5

The estimated working profit, for the six months ended 30th June, 1956, is £220,080.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the six months ended 30th June, 1956, is £87,250.

CAPITAL EXPENDITURE.—Nil.

DIVIDEND.—Dividend No. 33 of 9d. per share was declared on the 5th June, 1956, payable to all shareholders registered in the books of the Company on the 29th of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 8th August, 1956.

DEVELOPMENT.—Main Reef Leader: The development footage for the quarter totalled 2,776 ft., and gave the following results:

Sampled: 2,225 ft. averaging 13.65 dwts. over 6.08 in., equivalent to 83 in.-dwts.

Payable: 460 ft., equal to 20.7 per cent of the footage sampled, averaging 25.25 dwts. over 7.79 in., equivalent to 197 in.-dwts.

Kimberley Reef: In addition, a total of 6,626 ft. was accomplished on the horizon of the Kimberley Reef.

Sampled: 4,895 ft., averaging 37.13 dwts. over 4.94 in., equivalent to 183 in.-dwts.

Payable: 1,550 ft., equal to 31.7 per cent of the footage sampled, averaging 101.92 dwts. over 4.82 in., equivalent to 491 in.-dwts.

PRESIDENT STEYN GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £3,250,000

OPERATING RESULTS		
Tons milled 269,000	Ounces fine 101,967	Yield per ton 7.58 dwts.
		Per ton milled
		s. d.
GOLD—		
Working Revenue	£1,271,480	94 6
Working Costs	684,742	50 11
	£586,738	43 7
URANIUM—		
Working Profit (estimated)	194,192	
TOTAL WORKING PROFIT	£780,930	

The estimated working profit for the nine months ended 30th June, 1956, is 2,098,764. No taxation and no share of profit are payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £121,521, which includes an amount of £2,217 in respect of the uranium plant.

LOAN REPAYMENT—WELKOM GOLD MINING COMPANY, LIMITED.—An amount of £487,500 was repaid to Welkom Gold Mining Company, Limited, on the 30th June, 1956, in reduction of the loan from that Company which now stands at £437,500.

URANIUM LOANS.—Quarterly contribution towards loan repayments £98,316 (net).

UNDERGROUND DEVELOPMENT.—During the quarter 20,358 ft. of underground development were accomplished with the following results:—

Basal Reef:

Sampled: 3,370 ft., averaging 49.02 dwts. over 10.59 in., equivalent to 519 in.-dwts.

Payable: 3,170 ft., equal to 94.07 per cent of the footage sampled, averaging 50.52 dwts. over 10.79 in., equivalent to 545 in.-dwts.

Leader Reef:

Sampled: 1,540 ft., averaging 2.27 dwts. over 52.31 in., equivalent to 119 in.-dwts.

Payable: 160 ft., equal to 10.39 per cent of the footage sampled, averaging 5.55 dwts. over 57.06 in., equivalent to 317 in.-dwts.

"A" Reef:

Sampled: 280 ft., averaging 5.12 dwts. over 43.48 in., equivalent to 223 in.-dwts.

Payable: 160 ft., equal to 57.14 per cent of the footage sampled, averaging 6.81 dwts. over 44.34 in., equivalent to 302 in.-dwts.

SHAFT SINKING.—Welkom Gold Mining Company, Limited—No. 3 Twin Circular Shafts (for the joint account of the Company, Welkom Gold Mining Company, Limited, and President Brand Gold Mining Company Limited):—

18ft Diameter Ventilation Shaft: During the quarter the shaft was sunk 822 ft. to a depth of 3,008 ft. below the collar. In addition, 304 ft. of development were accomplished in stations and crosscuts and 84 ft. in temporary pump chambers.

24 ft. Diameter Shaft: The shaft was excavated to a depth of 32 ft. and the shaft collar was completed. The erection of the headgear is nearing completion and the erection of the service hoist, stage hoist and permanent man hoist is in progress.

URANIUM.—During the quarter the Atomic Energy Board of South Africa approved the application by Loraine Gold Mines, Limited, to become a uranium producer. The Loraine Company will participate in a joint uranium production scheme with Fredries Consolidated Mines, Limited, and the five gold mines in the Welkom area (including this Company) which are administered by the Anglo American Corporation of South Africa, Limited, and which are either currently producing uranium or are entitled to produce uranium.

The admission of Loraine Gold Mines Limited, to the joint uranium production scheme will necessitate extensions to the uranium treatment plants on this Company's property and the property of Welkom Gold Mining Company, Limited. The necessary authority to extend these plants has been obtained and the funds required to finance the cost of these extensions will be raised on behalf of the joint uranium production scheme by this Company and Welkom Gold Mining Company, Limited, through the Atomic Energy Board. Provided all the necessary equipment is delivered on schedule, the extended plants should be in full operation by the middle of 1957.

DAGGAFONTEIN MINES, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £1,750,000

OPERATING RESULTS		
Tons milled 678,000	Ounces fine 153,473.91	Yield per ton 4.527 dwts.
		Per ton milled
		s. d.
GOLD—		
Working Revenue	£1,913,224	56 5
Working Costs	1,049,154	30 11
	£864,070	25 6
URANIUM—		
Working Profit (Estimated)	412,000	
TOTAL WORKING PROFIT	£1,276,070	

The estimated total working profit for the six months ended 30th June, 1956, is £2,526,100.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the six months ended 30th June, 1956, is £1,304,300.

CAPITAL EXPENDITURE.—£56,403.

URANIUM LOANS.—Quarterly instalment, redemption and interest £140,776.

DIVIDEND.—Dividend No. 47 of 2s. 9d. per share was declared on the 5th June, 1956, payable to all shareholders registered in the books of the Company on the 29th of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 8th August, 1956.

DEVELOPMENT.—Main Reef Leader: The development footage for the quarter totalled 4,212 ft., and gave the following results:

Sampled: 3,290 ft. averaging 14.18 dwts. over 15.80 in., equivalent to 224 in.-dwts.

Payable: 1,420 ft., equal to 43.2 per cent of the footage sampled, averaging 26.91 dwts. over 16.62 in., equivalent to 447 in.-dwts.

Kimberley Reef: In addition a total of 4,058 ft. was accomplished on the horizon of the Kimberley Reef.

Sampled: 2,835 ft., averaging 8.61 dwts. over 20.22 in., equivalent to 174 in.-dwts.

Payable: 890 ft. equal to 31.4 per cent of the footage sampled, averaging 33.09 dwts. over 13.47 in., equivalent to 446 in.-dwts.

PRESIDENT BRAND GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL (In units of stock of 5s. each) £3,250,000

OPERATING RESULTS		
Tons milled 162,000	Ounces fine 125,986	Yield per ton 15.55 dwts.
		Per ton milled
		s. d.
GOLD—		
Working Revenue	£1,571,158	194 0
Working Costs	549,953	67 11
	£1,021,205	126 1
URANIUM—		
Working Profit (estimated)	114,156	
TOTAL WORKING PROFIT	£1,135,361	

Operations during the quarter were adversely affected by a fire in the underground workings of the mine which occurred on 18th April. The fire was extinguished on 22nd April.

No account has been taken in the above figures of the amount recoverable under the Company's insurance policy as it is not yet possible to ascertain what the figure will be.

The estimated working profit for the nine months ended 30th June, 1956, is £3,407,761.

No taxation and no share of profit are payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £312,028, which includes an amount of £67,000 in respect of underground development.

LOAN REPAYMENT.—An amount of £600,000, being the balance of the loan from Welkom Gold Mining Company, Limited, was repaid to that Company on the 30th June, 1956.

URANIUM LOANS.—Quarterly contribution towards loan repayments £57,363.

UNDERGROUND DEVELOPMENT.—During the quarter 16,392 ft. of underground development were accomplished with the following results:—

Sampled: 4,245 ft., averaging 97.71 dwts. over 11.09 in., equivalent to 1,084 in.-dwts.

Payable: 3,975 ft., equal to 93.64 per cent of the footage sampled, averaging 112.18 dwts. over 10.26 in., equivalent to 1,151 in.-dwts.

SHAFT SINKING.—No. 2 Sub-Vertical Twin Circular Shafts:—

18 ft. Diameter Ventilation Shaft: The shaft collar on 46 level was completed and the shaft sunk to a depth of 97 feet below 46 level. The excavations for the headgear section and the development of a return airway raise were completed. The sinking hoist and the stage hoist were erected.

24 ft. Diameter Shaft: The foundations for the permanent man hoist and the excavations for the stage hoist and permanent rock hoist were completed. The excavations for the headgear section and the sub-bank on 46 level are in progress.

Welkom Gold Mining Company, Limited.—No. 3 Twin Circular Shafts (for the joint account of the Company, Welkom Gold Mining Company, Limited, and President Steyn Gold Mining Company, Limited):—

18 ft. Diameter Ventilation Shaft: During the quarter the shaft was sunk 822 ft. to a depth of 3,008 ft. below the collar. In addition, 304 ft. of development were accomplished in stations and crosscuts and 84 feet in temporary pump chambers.

24 ft. Diameter Shaft: The shaft has been excavated to a depth of 32 feet and the shaft collar completed. The erection of the headgear is nearing completion, and the erection of the service hoist, stage hoist and permanent man hoist is in progress.

URANIUM.—During the quarter the Atomic Energy Board of South Africa approved the application by Loraine Gold Mines, Limited, to become a uranium producer. The Loraine Company will participate in a joint uranium production scheme with Fredries Consolidated Mines, Limited, and the five gold mines in the Welkom area (including this Company) which are administered by the Anglo American Corporation of South Africa, Limited, and which are either currently producing uranium or are entitled to produce uranium.

WELKOM GOLD MINING COMPANY LIMITED

ISSUED CAPITAL (In shares of 5s. each) £3,062,500

(NOTE: As consideration for the subscription of shares and the provision of loan facilities, Anglo American Corporation of South Africa, Limited, has been granted the right to subscribe for 1,250,000 shares at 27s. 6d. per share at any time up to the 30th December, 1958.)

OPERATING RESULTS			
Tons milled	Ounces fine	Yield per ton	4.51 dwts. Per ton milled s. d.
258,500	58,355		
Working Revenue	£727,494	..	56 3
Working Costs	606,181	..	46 11
WORKING PROFIT	£121,313	..	9 4

The estimated working profit for the nine months ended 30th June, 1956, is £252,590. No taxation and no share of profit are payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £365,635, which includes amounts of £3,000 and £938 in respect of underground development and the uranium plant, respectively.

LOAN REPAYMENTS BY ASSOCIATED COMPANIES.—President Brand Gold Mining Company Limited has repaid the outstanding balance of its loan amounting to £600,000. President Steyn Gold Mining Company Limited has reduced the loan outstanding by £487,500 to £112,500. These loan repayments were made on the 30th June, 1956, and the total amount received will be used by the Company in purchasing an equivalent amount of the five per cent Debentures issued by the Company which will then be cancelled.

URANIUM LOANS.—The quarterly loan repayment instalment, including capital and interest, was £94,438. This amount has been contributed in full by other participants in the joint production scheme.

UNDERGROUND DEVELOPMENT.—During the quarter 14,936 ft. of underground development were accomplished with the following results:—

Sampled: 5,835 ft. averaging 79.18 dwts. over 5.75 in., equivalent to 455 in.-dwts.

Payable: 5,180 ft. equal to 88.77 per cent of the footage sampled averaging 85.90 dwts. over 5.86 in., equivalent to 503 in.-dwts.

SHAFT SINKING.—No. 1 Shaft: The excavations for the hoist chamber for sinking below 37 level have been completed and the erection of the hoist is in progress.

No. 3 Twin Circular Shafts (For the joint account of the Company, President Steyn Gold Mining Company, Limited, and President Brand Gold Mining Company, Limited):—

18 ft. Diameter Ventilation Shaft: During the quarter the shaft was sunk 822 ft. to a depth of 3,908 ft. below collar. In addition 304 ft. of development were accomplished in stations and crosscuts and 84 ft. in temporary pump chambers.

24 ft. Diameter Shaft: The shaft has been excavated to a depth of 32 ft. and the shaft collar completed. The erection of the headgear is nearing completion and the erection of the service hoist, stage hoist and permanent man hoist is in progress.

URANIUM.—During the quarter the Atomic Energy Board of South Africa approved the application by Loraine Gold Mines, Limited, to become a uranium producer. The Loraine Company will participate in a joint uranium production scheme with Freddie's Consolidated Mines, Limited, and the five gold mines in the Welkom area (including this Company) which are administered by Anglo American Corporation of South Africa, Limited, and which are either currently producing uranium or, as in the case of this Company, are entitled to produce uranium.

The admission of Loraine Gold Mines, Limited to the joint uranium production scheme will necessitate extensions to the uranium treatment plants on this Company's property and the property of President Steyn Gold Mining Company Limited. The necessary authority to extend these plants has been obtained and the funds required to finance the cost of these extensions will be raised on behalf of the joint uranium production scheme by this Company and President Steyn Gold Mining Company, Limited, through the Atomic Energy Board. The cost of constructing a pipeline from the Loraine Company to link up with the pipeline from the Freddie's Company to this Company's uranium treatment plant will be financed by a loan raised on behalf of the joint uranium production scheme by this Company through the Atomic Energy Board.

Provided all the necessary equipment is delivered on schedule, the extended plants should be in full operation by the middle of 1957.

THE SOUTH AFRICAN LAND AND EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL (In shares of 3s. 6d. each) £433,125

OPERATING RESULTS			
Tons milled	Ounces fine	Yield per ton	4.115 dwts. Per ton milled s. d.
271,000	55,762.89		
Working Revenue	£695,035	..	51 4
Working Costs	516,893	..	38 2
WORKING PROFIT	£178,142	..	13 2

The estimated working profit for the six months ended 30th June, 1956 is £330,800.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the six months ended 30th June, 1956, is £138,650.

CAPITAL EXPENDITURE.—£5,847.

DIVIDEND.—Dividend No. 36 of 1s. 6d. per share was declared on the 5th June, 1956, payable to all shareholders registered in the books of the Company on the 29th of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 8th August, 1956.

DEVELOPMENT.—The development footage for the quarter totalled 11,521 ft., and gave the following results:—

Sampled: 7,745 ft., averaging 7.61 dwts. over 22.77 inches, equivalent to 173 in.-dwts.

Payable: 2,830 ft., equal to 36.5 per cent of the footage sampled, averaging 14.75 dwts. over 26.08 in., equivalent to 385 in.-dwts.

LORAINÉ GOLD MINES, LIMITED

ISSUED CAPITAL (In shares of 10s. each) £8,226,686

(NOTE: As consideration for the subscription of shares and the provision of loan facilities, Anglo American Corporation of South Africa, Limited, has been given the right up to and including 31st December, 1957, to subscribe for 2,750,000 reserve shares in the Company at the price of 20s. per share.)

OPERATING RESULTS			
Tons milled	Ounces fine	Yield per ton	3.48 dwts. Per ton milled s. d.
147,000	25,551		
Working Revenue	£318,571	..	43 4
Working Costs	378,652	..	51 6
WORKING LOSS	£60,081	..	8 2

The estimated working loss for the nine months ended 30th June, 1956, is £225,699.

No taxation and no share of profit are payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £161,113, which includes an amount of £149,000 in respect of underground development.

UNDERGROUND DEVELOPMENT.—During the quarter 23,732 ft. of underground development were accomplished with the following results:—

Basal Reef:

Sampled: 4,245 ft., averaging 26.37 dwts. over 4.93 in., equivalent to 130 in.-dwts.

Payable: 1,235 ft., equal to 29.1 per cent of the footage sampled, averaging 41.60 dwts. over 5.89 in., equivalent to 245 in.-dwts.

"B" Reef:

Sampled: 2,930 ft., averaging 5.29 dwts. over 47.85 in., equivalent to 253 in.-dwts.

Payable: 710 ft., equal to 24.2 per cent of the footage sampled, averaging 18.46 dwts. over 49.51 in., equivalent to 914 in.-dwts.

URANIUM.—During the quarter the Atomic Energy Board of South Africa approved the Company's application to become a uranium producer. The Company will participate in a joint uranium production scheme with Freddie's Consolidated Mines, Limited, and the five gold mines in the Welkom area which are administered by the Anglo American Corporation of South Africa, Limited, and which are either currently producing uranium or are entitled to produce uranium.

It is anticipated that the pipeline which is to be constructed from the Company's reduction plant to link up with the existing pipeline operating between Freddie's Consolidated Mines, Limited, and the Welkom Gold Mining Company, Limited's uranium treatment plant, will be completed before the end of 1956. The funds required to finance the cost of the pipeline will be obtained by way of a loan raised by Welkom Gold Mining Company, Limited, on behalf of the joint uranium production scheme, through the Atomic Energy Board. It will not be possible, however, to treat any appreciable quantity of the Company's slimes until the extensions to the uranium treatment plants on the Welkom and President Steyn properties which have been authorised by the Atomic Energy Board have been completed.

WESTERN REEFS EXPLORATION AND DEVELOPMENT COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £1,750,000

OPERATING RESULTS			
Tons milled	Ounces fine	Yield per ton	4.047 dwts. Per ton milled s. d.
361,000	73,043.16		
GOLD—			
Working Revenue	£910,534	..	50 5
Working Costs	784,824	..	43 6
Working Profit	£125,710	..	6 11
URANIUM—			
Working Profit (estimated)	411,000	..	
TOTAL WORKING PROFIT	£536,710	..	

The estimated total working profit for the six months ended 30th June, 1956, is £1,112,300.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the six months ended 30th June, 1956, is £275,100.

CAPITAL EXPENDITURE.—£22,129.

URANIUM LOANS.—Quarterly instalment, redemption and interest £169,182.

DIVIDEND.—Dividend No. 30 of 1s. 3d. per share was declared on the 5th June, 1956, payable to all shareholders registered in the books of the Company on the 29th of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 8th August, 1956.

DEVELOPMENT.—The development footage for the quarter totalled 23,083 ft., and gave the following results:—

Sampled: 12,455 ft., averaging 12.55 dwts. over 22.02 in., equivalent to 276 in.-dwts.

Payable: 6,805 ft., equal to 54.6 per cent of the footage sampled, averaging 21.06 dwts. over 20.95 in., equivalent to 441 in.-dwts.

VAAL REEF: The above figures include the following footages and values in development on the Vaal Reef horizon:

Footage driven: 11,257 feet.

Sampled: 5,445 ft., averaging 25.45 dwts. over 14.74 inches, equivalent to 375 in.-dwts.

Payable: 4,115 ft., equal to 75.6 per cent of the footage sampled, averaging 31.92 dwts. over 14.84 in., equivalent to 474 in.-dwts.

FARM NOOTGEDACHT No. 53.—In addition, a total of 6,277 ft. of development was accomplished in portions of this farm which are outside the Mining Lease Area. Results were:—

Sampled: 3,920 ft., averaging 6.85 dwts. over 22.16 in., equivalent to 196 in.-dwts.

Payable: 1,420 ft., equal to 36.2 per cent of the footage sampled, averaging 16.37 dwts. over 25.92 in., equivalent to 424 in.-dwts.

WESTERN HOLDINGS LIMITED

ISSUED CAPITAL (In shares of 5s. each) £1,874,094

OPERATING RESULTS		
Tons milled 234,500	Ounces fine 95,694	Yield per ton 8.16 dwts.
		Per ton milled
		s. d.
Working Revenue	£1,193,770	101 10
Working Costs	614,454	52 5
WORKING PROFIT	£579,316	49 5

The estimated working profit for the nine months ended 30th June, 1956, is £1,604,182. No taxation and no share of profit are payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £519,616, which includes an amount of £45,000 in respect of underground development.

UNDERGROUND DEVELOPMENT.—During the quarter 16,515 ft. of underground development were accomplished with the following results:—

Sampled: 3,940 ft., averaging 196.86 dwts. over 4.17 in., equivalent to 821 in.-dwts.
Payable: 3,460 ft., equal to 87.82 per cent of the footage sampled, averaging 219.56 dwts. over 4.20 in., equivalent to 922 in.-dwts.

As announced in the Press, the 43 haulage south from Free State Geduld Mines Limited No. 2 Shaft was connected with the 41 haulage north from the Company's No. 1 Shaft during the quarter.

SHAFT SINKING.—No. 3 Twin Circular Shafts:—

18 ft. Diameter Ventilation Shaft: During the quarter the shaft was sunk 1,074 ft. to a depth of 1,099 ft. below the collar. In addition, 92 ft. of development were accomplished in a temporary pump chamber.

24 ft. Diameter Shaft: The Shaft was excavated to a depth 28 ft. and the shaft collar completed. Good progress was made with the construction of the permanent winder house. The stage hoist was erected and the construction of the railway line to the shaft was completed.

URANIUM.—During the quarter the Atomic Energy Board of South Africa approved the application by Loraine Gold Mines, Limited to become a uranium producer. The Loraine Company will participate in a joint uranium production scheme with Freddie's Consolidated Mines Limited, and the five gold mines in the Welkom area (including this Company) which are administered by the Anglo American Corporation of South Africa, Limited, and which are either currently producing uranium or, as in the case of this Company, are entitled to produce uranium.

London Office: 40 Holborn Viaduct, E.C.1.
17th July, 1956.

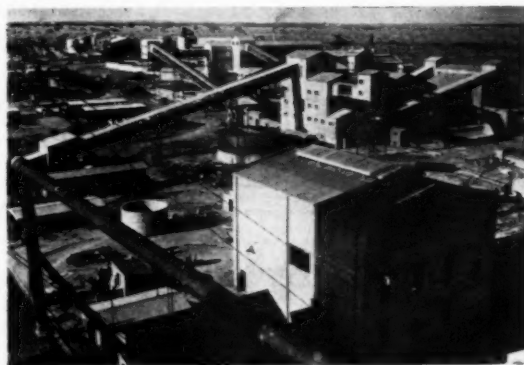
For and on behalf of **ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.**
R. V. PRITCHARD, Joint London Secretary.

What frightens America is whether labour will price itself out of the market. That this is a critical question in the U.S. can be said to mean less than it would in most other countries because of the tremendous speed with which the U.S. Government can be apprised of the overall economic situation in cold hard statistics. Nevertheless, the danger is there and recognized.

The same danger applies, but in a much more acute form to several Western European countries and particularly to Great Britain. Full employment policies here have led to over full employment and there are more jobs vacant than applicants available. Consequently the trade unions have been placed in a strong bargaining position. But since wages have far outstripped production bank credit rather than savings have financed industrial expansion with the inevitable result that the price of money has risen. Ours is not an isolated case; we are in good company. But that is small consolation. With pay packets already swollen by about £6,000,000 a week and wage demands from engineers, railwaymen, and miners in the offing, the nation faces a serious crisis.

Narrower profit margins, reduction in government expenditure, stricter control of capital issues, increases in taxation, and encouragement to stimulate personal savings are some of the government measures now in force to stem the tide.

Cramping as are these restrictions, they will not achieve price stabilization by themselves. To make them effective, without introducing proposals to limit wages and prices by legislation, the government has taken the course of freezing by priorities. First, the nationalized industries have pegged



View from the temporary steel headframe at the promising Vaal Reefs mine

their prices. The Central Electricity Authority announced that it would not increase its tariffs until March next; the National Coal Board stated that "unless something exceptional happens" it would peg its prices for a year; and, as previously announced, rail fares have been frozen as from March last for a trial period of six months. The voluntary price freeze on the part of the nationalized industries has been used as a means of exerting pressure on private industry to exercise restraint which in turn is being used to influence trade unions to do the same. The success or failure of this policy is not

(Continued on page 19)



The No. 2 shaft at West Driefontein G.M. Co. Ltd., showing the hills of the Pretoria Series on the skyline.

NEW CONSOLIDATED GOLD FIELDS LIMITED

Registered Office: 49 MOORGATE, LONDON, E.C.2.

Extracts from Mining Companies' Directors' Reports for Quarter ended 30th June, 1956

VENTERSPOST GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £2,450,000 IN 4,900,000 SHARES OF 10s. EACH

Tons milled 372,000, yielding 87,870.00 ounces fine gold. Yield per ton 4.724 dwt.		Per Ton Milled
		s. d.
Working Revenue	£1,097,305	59 0
Working Expenditure	880,212	47 4
WORKING PROFIT	£217,093	11 8

EXPENDITURE ON CAPITAL ACCOUNT.—Cr. £11,223.
GOVERNMENT TAXES.—£56,100.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 14,637 ft. The distance sampled amounted to 9,975 ft., of which 5,485 ft., equal to 55.0 per cent, proved payable, averaging 7.8 dwt. over a stoping width of 52.7 inches, equivalent to 411 inch-dwt.

ORE RESERVE.—At 30th June, 1956, is estimated at 2,590,000 tons averaging 5.4 dwt. per ton over a stoping width of 53.8 inches, equivalent to 291 inch-dwt.

DIVIDEND.—A dividend of 9d. per share has been declared payable on or about 9th August, 1956.

VOGELSTRUISBULT GOLD MINING AREAS LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £2,514,286 IN 5,028,571 SHARES OF 10s. EACH

Tons milled 300,000, yielding 75,395.38 ounces fine gold. Yield per ton 5.026 dwt.		Per Ton Milled
		s. d.
Working Revenue	£942,659	62 10
Working Expenditure	676,034	45 1
WORKING PROFIT	266,625	17 9
Profit from Uranium (subject to adjustment)	158,000	
TOTAL WORKING PROFIT	£424,625	

EXPENDITURE ON CAPITAL ACCOUNT.—£12,397.

In addition Expenditure on Capital Account in connection with the Uranium Project amounted to £4,020.

GOVERNMENT TAXES.—£124,060.

URANIUM.—The profit for the quarter amounting to £158,000 was arrived at before deducting the quarterly loan repayment instalment of £72,000 made up of Capital Redemption £51,105 and Interest £20,895.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 13,311 ft. The distance sampled amounted to 9,715 ft., of which 2,975 ft., equal to 30.6 per cent., proved payable, averaging 5.9 dwt. over a stoping width of 45.6 inches, equivalent to 269 inch-dwt.

DIVIDEND.—A dividend of 1s. 8d. per share has been declared payable on or about 9th August, 1956.

WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £3,520,540 IN 7,041,080 SHARES OF 10s. EACH

Tons milled 213,000, yielding 195,008.01 ounces fine gold. Yield per ton 18.311 dwt.		Per Ton Milled
		s. d.
Working Revenue	£2,432,125	228 4
Working Expenditure	856,552	80 5
WORKING PROFIT	£1,575,573	147 11

EXPENDITURE ON CAPITAL ACCOUNT.—£494,817.

In addition expenditure on capital account in connection with the Uranium project amounted to £315,037.

TAXATION.—£396,247.

STATE'S SHARE OF PROFIT.—£119,670.

NO. 5 SHAFT.—No. 5 Shaft was sunk a distance of 669 ft. during the quarter to a total depth of 2,254 ft. Water bearing ground requiring consolidation by means of cementation continued to retard progress during the quarter.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 14,607 ft. The footage sampled amounted to 6,385 ft., of which 6,260 ft., equal to 98.0 per cent, proved payable at an average value of 19.4 dwt. per ton over an estimated stoping width of 42.0 inches, equivalent to 815 inch-dwt.

ORE RESERVE at 30th June, 1956, is estimated at 1,438,000 tons averaging 16.8 dwt. per ton over a stoping width of 42.1 inches, equivalent to 707 inch-dwt.

DIVIDEND.—A dividend of 2s. 9d. per share has been declared payable on or about 9th August, 1956.

THE SUB NIGEL LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £885,937 IN 1,771,875 SHARES OF 10s. EACH

Tons milled 199,500, yielding 60,781.31 ounces fine gold. Yield per ton 6.093 dwt.		Per Ton Milled
		s. d.
Working Revenue	£758,259	76 0
Working Expenditure	553,411	55 6
WORKING PROFIT	£204,848	20 6

EXPENDITURE ON CAPITAL ACCOUNT.—£449.

GOVERNMENT TAXES.—£85,835.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 8,597 ft. The footage sampled amounted to 6,805 ft., of which 1,490 ft., equal to 21.9 per cent, proved payable at an average value of 10.2 dwt. per ton over an estimated stoping width of 36.9 inches, equivalent to 376 inch-dwt.

ORE RESERVE at 30th June, 1956, is estimated at 987,000 tons averaging 7.7 dwt. per ton over a stoping width of 38.0 inches equivalent to 293 inch-dwt.

DIVIDEND.—A dividend of 3/- per share has been declared payable on or about 9th August, 1956.

DOORNFONTEIN GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £4,914,000 IN 9,828,000 SHARES OF 10s. EACH

Tons milled 193,500, yielding 77,002.00 ounces fine gold. Yield per ton 7.959 dwt.		Per Ton Milled
		s. d.
Working Revenue	£960,452	99 3
Working Expenditure	653,364	67 6
WORKING PROFIT	£307,088	31 9

Expenditure on Capital Account £329,165
In addition Expenditure on Capital Account in connection with the Uranium project amounted to £34,508
Government Taxes Nil

DEVELOPMENT.—The total footage advanced during the quarter amounted to 17,258 ft. The footage sampled amounted to 6,525 ft., of which 6,055 ft., equal to 92.8 per cent, proved payable at an average value of 9.6 dwt. per ton over an estimated stoping width of 40.0 inches, equivalent to 384 inch-dwt.
In addition 56 ft. of exploratory development was carried out under prospecting permits outside the northern boundary of the mine.

ORE RESERVE at 30th June, 1956, is estimated at 1,246,000 tons averaging 6.9 dwt. per ton over a stoping width of 40.0 inches, equivalent to 276 inch-dwt.

WORLD TUNNELLING RECORD.—The world record for hard rock tunnelling established at the Company's mine in March, 1956, was bettered when an advance of 1,903 ft. was attained in the same haulage system during the 26 days ended 5th May, 1956.

VLAKFONTEIN GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £3,000,000 IN 6,000,000 SHARES OF 10s. EACH

Tons milled 132,000, yielding 47,476.01 ounces fine gold. Yield per ton 7.193 dwt.		Per Ton Milled
		s. d.
Working Revenue	£591,838	89 8
Working Expenditure	357,198	54 1
WORKING PROFIT	£234,640	35 7

EXPENDITURE ON CAPITAL ACCOUNT.—£22,515.

GOVERNMENT TAXES.—£90,751.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 9,568 ft. The footage sampled amounted to 6,300 ft., of which 2,560 ft., equal to 40.6 per cent, proved payable at an average value of 9.3 dwt. per ton over an estimated stoping width of 40.7 inches, equivalent to 379 inch-dwt.

COAL INVESTIGATION.—The drilling programme consisting of 12 boreholes to investigate the occurrence of coal on farm Vlakfontein No. 8 was completed during the quarter. The following tabulation summarises the salient drilling results:

Coal Seams Intersected		Farm Vlakfontein No. 8	
Borehole No.	Depth to Coal (ft.)	Borehole No.	Depth to Coal (ft.)
3	152	11	183
4	249	12	196
5	186	13	150
7	148	14	178
8	181	16	103
10	111	17	No Coal

The full thickness of the coal seam in each borehole, as given above, is not of economic grade since portion of this seam is often shaly or closely intercalated with shale. In general, only a lower portion of considerably lesser thickness than the widths quoted in the above table appears to have economic value and the coal in this lower portion is also of low grade. A study of the economic prospects for the occurrence is now being made.

DIVIDEND.—A dividend of 9d. per share has been declared payable on or about 9th August, 1956.

THE LUIPAARDS VLEI ESTATE AND GOLD MINING COMPANY LIMITED

(Incorporated in England)
(Head Office: Johannesburg)

ISSUED CAPITAL £496,911 IN 4,969,105 SHARES OF 2s. EACH

MAIN REEF SECTION

Tons milled	255,000	
Total yield in ounces fine	45,367.61	
Total yield per ton (dwt.)	3.558	
	Per Ton Milled	
	s. d.	£
Working Revenue	44 5	566,615
Working Expenditure	41 5	527,880
Working Profit	3 0	38,735

BIRD REEF SECTION

Tons Milled	125,000	
Total yield in ounces fine	4,454.46	
	£	
Working Revenue	55.587	
Working Expenditure	397.732	
	342.145	
Working Profit from Uranium (subject to adjustment)	519.145	
Working Profit		177,000

TOTAL WORKING PROFIT 215,735

EXPENDITURE ON CAPITAL ACCOUNT.—Main Reef Section: £27,079. Bird Reef Section: £6,838, making a total of £33,917.

GOVERNMENT TAXES.—Non-Resident Shareholders' Tax on Dividend No. 52—£5,645.

URANIUM.—The profit for the quarter amounting to £177,000 was arrived at before deducting the quarterly loan repayment instalment of £77,100 made up of Capital Redemption £53,679 and Interest £23,421.

DEVELOPMENT.—Main Reef Group.—The total footage advanced during the quarter amounted to 10,558 ft. The distance sampled amounted to 5,300 ft., of which 3,950 ft., equal to 74.5 per cent, proved payable, averaging 5.8 dwt. over a stoping width of 38.9 inches, equivalent to 226 inch-dwt.

Bird Reef Group.—The footage accomplished on the Bird Reef Group totalled 17,856 ft. The footage sampled amounted to 5,250 ft., of which 4,115 ft., equivalent to 78.4 per cent, proved payable on a combined gold/uranium content.

ORE RESERVE.—Main Reef Group.—At 30th June, 1956, is estimated at 2,040,000 tons averaging 4.4 dwt. per ton over a stoping width of 40.4 inches, equivalent to 178 inch-dwt.

DIVIDEND.—A dividend of 9d. per share has been declared payable on or about 9th August, 1956.

ROBINSON DEEP LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £750,000 IN 2,000,000 "B" SHARES OF 7s. 6d. EACH

Tons milled 232,000, yielding 45,325.00 ounces fine gold. Yield per ton 3.907 dwt.

	Per Ton Milled	
	s. d.	£
Working Revenue	48 10	565,996
Working Expenditure	50 9	588,210
WORKING LOSS	1 11	£22,214

Operations during the quarter were adversely affected by a pressure burst in the lower levels of the Chris Section and by the reorganization necessitated by a falling off in grade in certain of the long wall stope faces of the Turf Section, to which reference was made at the Annual General Meeting held on 24th May, 1956. The reorganization has proceeded as planned, and it is expected that profitable operations will be resumed shortly.

EXPENDITURE ON CAPITAL ACCOUNT.—£6,081.

GOVERNMENT TAXES for the six months ended 30th June, 1956—Nil.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 6,266 ft. The distance sampled amounted to 1,050 ft., of which 900 ft., equal to 85.7 per cent, proved payable, averaging 5.8 dwt. over a stoping width of 51.4 inches, equivalent to 298 inch-dwt.

DIVIDEND.—A dividend of 3d. per share has been declared payable on or about 9th August, 1956.

RIETFOONTEIN CONSOLIDATED MINES LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £280,563 IN 1,122,252 SHARES OF 5s. EACH

Tons milled 78,000, yielding 17,696.93 ounces fine gold. Yield per ton 4.538 dwt.

	Per Ton Milled	
	s. d.	£
Working Revenue	56 7	£220,795
Working Expenditure	42 7	166,255
WORKING PROFIT	14 0	£54,540

EXPENDITURE ON CAPITAL ACCOUNT.—£2,094.

GOVERNMENT TAXES.—£22,716.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 4,986 ft. The distance sampled amounted to 2,315 ft., of which 775 feet, equal to 33.5 per cent, proved payable, averaging 12.4 dwt. over a stoping width of 45.8 inches, equivalent to 568 inch-dwt.

DIVIDEND.—A dividend of 1s. 1d. per share has been declared payable on or about 9th August, 1956.

SIMMER AND JACK MINES LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £843,750 IN 6,750,000 SHARES OF 2s. 6d. EACH

Tons milled 307,000, yielding 52,961.50 ounces fine gold. Yield per ton 3.450 dwt.

	Per Ton Milled	
	s. d.	£
Working Revenue	43 1	£661,555
Working Expenditure	39 9	610,282
WORKING PROFIT	3 4	£51,273

EXPENDITURE ON CAPITAL ACCOUNT.—£2,217.

GOVERNMENT TAXES.—£1,484.

STATE'S SHARE OF PROFIT.—£709.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 8,492 ft. The distance sampled amounted to 6,520 ft., of which 3,260 ft., equal to 50.0 per cent, proved payable, averaging 6.0 dwt. over a stoping width of 48.0 inches, equivalent to 288 inch-dwt.

DIVIDEND.—A dividend of 5d. per share has been declared payable on or about 9th August, 1956.

LIBANON GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £3,968,650 IN 7,937,300 SHARES OF 10s. EACH

Tons milled 303,000, yielding 65,780.33 ounces fine gold. Yield per ton 4.342 dwt.

	Per Ton Milled	
	s. d.	£
Working Revenue	54 2	£820,311
Working Expenditure	43 9	662,997
WORKING PROFIT	10 5	£157,314

EXPENDITURE ON CAPITAL ACCOUNT.—£219,431.

GOVERNMENT TAXES.—Nil.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 15,939 ft. The distance sampled amounted to 3,915 ft., of which 2,940 ft., equal to 75.1 per cent, proved payable, averaging 6.7 dwt. over a stoping width of 48.3 inches, equivalent to 324 inch-dwt.

ORE RESERVE.—At 30th June, 1956, is estimated at 2,399,000 tons, averaging 4.7 dwt. per ton over a stoping width of 49.8 inches, equivalent to 234 inch-dwt.

DIVIDEND.—A dividend of 3½d. per share has been declared payable on or about 9th August, 1956.

WEST WITWATERSRAND AREAS LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £840,840 IN 6,726,720 SHARES OF 2s. 6d. EACH

During the quarter ended 30th June, 1956, drilling operations were carried out in Borehole No. E.9Q on the farm Blaauwbank No. 1 and in Borehole No. E.9R on the farm Turfontein No. 90. The former was completed whilst the latter is a new borehole which was commenced during the quarter.

BOREHOLE NO. E.9Q (2nd Deflection).—This borehole was deflected a second time and re-drilled from 3,672 to 3,950 ft. The Main Reef was re-intersected at a depth of 3,947 ft. and assayed 2.1 dwt. over a corrected width of 27.9 inches equivalent to 59 inch-dwt. Core recovery was complete.

Drilling operations were finally completed on the 16th April, 1956.

BOREHOLE NO. E.9R.—Drilling was commenced on the 27th April, 1956, in this new borehole which is situated on farm Turfontein No. 90, about centrally between Boreholes Nos. E.10, E.10A, and E.9F.

The formation traversed consisted of surface soil to a depth of 2 ft.; followed by gravel, chert breccia, boulders and manganeseiferous sand to a depth of 175 ft.; followed by cavernous dolomite, with wad, gravel and boulders in some of the cavities. At the end of the quarter a depth of 259 feet had been attained and the borehole was still in this formation.

DIVIDEND.—A dividend of 1s. 3d. per share has been declared payable on or about 9th August, 1956.

FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £6,067,559 IN 12,135,118 SHARES OF 10s. EACH

NO. 1 SHAFT.—The shaft was sunk and walled to a depth of 60 ft. and construction of the headgear is proceeding.

NO. 2 SHAFT.—The programme for the treatment of the No. 2 Shaft site by diamond drilling and cementation to a depth of approximately 2,200 ft. has been completed. It is considered that sinking conditions will benefit from this work.

ROADS.—The main road system to the mine has been completed.

HOUSES.—The first houses in Virginia Extension No. 5 Township have been occupied and good progress has been made with the building of further houses in this area as well as in Virginia Extension No. 6 Township. Five houses within the lease area of the mine required for senior officials in control of operations are nearing completion.

MINE BUILDINGS.—Work on the construction of mine buildings has been maintained satisfactorily throughout the period under review.

GENERAL.—Good progress has been made with installations required for electric power, a temporary supply of which is expected to be available from No. 2 Shaft, Harmony Gold Mining Company Limited, in the near future.

NOTES.—The development returns of the above Companies show the actual sampling results; adjustments which may be required when estimating ore reserves have not been applied.

Copies of the Reports, giving the percentage payable on each reef may be obtained on application.

THE CENTRAL MINING—RAND MINES GROUP

South African Mining Companies' Directors' Reports for Quarter ended 30th June, 1956

Office of the London Secretaries: 4 London Wall Buildings, E.C.2

The development values quoted hereunder represent actual results of sampling, no allowance having been made for any adjustments which were or may be necessary when estimating ore reserves at the end of the respective financial years

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

Ore milled 328,000 tons.	Yield 181,749 oz. fine.	Yield per ton 11.082 dwt.	Per Ton Milled
Working Revenue	£2,268,685	138	4
Working Expenditure	957,339	58	4
WORKING PROFIT	£1,311,346	80	0

Allowing for profit from uranium (subject to adjustment) £301,746, sundry revenue £20,200, and adjustment of Outstanding Liabilities Trust Fund (Cr.) £100, Total Profit was £1,633,392.

Uranium Loan Account quarterly instalment (Dr.) £124,700, made up of capital £92,100 and interest £32,600. No allowance has been made for this payment in arriving at the estimated uranium profit shown above.

Capital expenditure on shaft sinking, equipment, etc., amounted to £341,800 which includes £301,200 expended in connection with the uranium and sulphuric acid plants.

Taxation and Lease Consideration was (Dr.) £756,400.

Dividend No. 21 of 1s. per share, declared on 14th June, 1956 (Dr.) £1,200,000. DEVELOPMENT totalled 13,982 ft.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Carbon Leader	5,080	4,875	96.0	144.8	6

ORE RESERVE at 30th June, 1956, has been re-estimated as follows:—

	Tons	Value dwt.	Width In.
Available	5,341,000	12.1	46.4
Not available	1,524,000	11.9	45.7
TOTAL	6,865,000	12.1	46.2

CITY DEEP, LIMITED

Ore milled 455,000 tons.	Yield 88,727 oz. fine.	Yield per ton 3.900 dwt.	Per Ton Milled
Working Revenue	£1,106,869	48	8
Working Expenditure	1,099,290	48	4
WORKING PROFIT	£7,579	0	4

Allowing for sundry revenue £7,200 and adjustment of Outstanding Liabilities Trust Fund (Cr.) £900, Total Profit was £15,679.

Capital expenditure on equipment, etc. (Net) (Dr.) £16,600, Property (Dr.) £1,000.

DEVELOPMENT totalled 13,781 ft.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef	960	270	28.1	4.5	47
Main Reef Leader	4,250	2,240	52.7	10.1	37
South Reef	4,060	1,580	38.9	6.7	48
Totals and Averages	9,270	4,090	44.1	8.2	42

CROWN MINES, LIMITED

Ore Milled 876,000 tons.	Yield 136,010 oz. fine.	Yield per ton 3.105 dwt.	Per Ton Milled
Working Revenue	£1,696,643	38	9
Working Expenditure	1,621,416	37	0
WORKING PROFIT	£75,227	1	9

Allowing for sundry revenue £17,100 and adjustment of Outstanding Liabilities Trust Fund (Cr.) £1,800, TOTAL PROFIT was £94,127.

TAXATION AND LEASE CONSIDERATION (Dr.) £7,600.

DIVIDEND No. 110 of 3s. per share, declared on 14th June, 1956 (Dr.) £282,900.

CAPITAL EXPENDITURE on equipment, etc. (net) (Dr.) £3,100 and sale of plant (Cr.) £3,300.

DEVELOPMENT totalled 26,078 ft.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef	12,220	3,460	28.3	6.8	42
*Main Reef Leader	3,710	1,180	31.8	20.5	17
South Reef	705	190	27.0	11.0	31
Kimberley Reef	1,870	1,040	55.6	4.2	55
Totals and Averages	18,505	5,870	31.7	7.4	39

* NOTE: Includes 1,070 ft. sampled in Shaft Pillar areas, of which 320 ft. equal to 29.9 per cent. were payable, averaging 32.6 dwt. over a channel width of 14 inches.

DURBAN ROODEPOORT DEEP, LIMITED

Ore milled 553,000 tons.	Yield 96,121 oz. fine.	Yield per ton 3.476 dwt.	Per Ton Milled
Working Revenue	£1,199,873	43	5
Working Expenditure	1,042,525	37	9
WORKING PROFIT	£157,348	5	8

Allowing for sundry revenue £8,000 and adjustment of Outstanding Liabilities Trust Fund (Cr.) £600, Total Profit was £165,948.

TAXATION.—(Dr.) £19,800.

DIVIDEND No. 71 of 1s. 3d. per share, declared on 14th June, 1956 (Dr.), £145,300.

CAPITAL EXPENDITURE on shaft sinking and equipment, etc. (net) (Dr.) £19,200.

DEVELOPMENT totalled 18,609 ft.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef	3,830	1,830	47.8	8.3	51
Main Reef Leader	20	20	100.0	97.3	4
South Reef	970	450	46.4	51.2	6
Kimberley Reef	4,620	2,640	57.1	6.5	53
Totals and Averages	9,440	4,940	52.3	7.7	48

MODDERFONTEIN EAST, LIMITED

Ore milled 412,000 tons.	Yield 42,569 oz. fine.	Yield per ton 2.066 dwt.	Per Ton Milled
Working Revenue	£532,678	25	10
Working Expenditure	515,473	25	0
WORKING PROFIT	£17,205	0	10

Allowing for sundry revenue £3,500 and adjustment of Outstanding Liabilities Trust Fund (Cr.) £300, Total Profit was £21,005.

TAXATION AND MINERAL LEASE CONSIDERATION.—£4,900.

DIVIDEND No. 58 of 1s. per share, declared on 14th June, 1956, £46,500.

DEVELOPMENT totalled 1,666 ft.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef Leader	1,385	290	20.9	9.6	25

ORE RESERVE at 30th June, 1956, has been re-estimated as follows:—

	Tons	Value dwt.	Width In.
Available	1,467,000	3.2	45.0
Not Available	123,000	2.9	45.7
Total	1,590,000	3.2	45.1

EAST RAND PROPRIETARY MINES, LIMITED

Ore milled 633,000 tons.	Yield 164,538 oz. fine.	Yield per ton 5.199 dwt.	Per Ton Milled
Working Revenue	£2,053,050	64	10
Working Expenditure	1,532,782	48	5
WORKING PROFIT	£520,268	16	5

Allowing for sundry revenue £11,300 and adjustment of Outstanding Liabilities Trust Fund (Cr.) £1,100, Total Profit was £532,668.

TAXATION (Dr.) £137,700.

DIVIDEND No. 73 of 2s. per share, declared on 14th June, 1956 (Dr.) £396,000.

CAPITAL EXPENDITURE on Shaft Sinking and Equipment, etc. (Net) (Dr.) £148,100.

DEVELOPMENT totalled 15,001 ft.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef	1,060	210	19.8	8.9	28
Composite Reef	3,070	1,930	62.9	19.7	26
South Reef	970	440	45.4	10.7	36
Totals and Averages	5,100	2,580	50.6	16.7	28

Far East Ventilation Shaft was sunk 956 ft. to a total depth of 3,015 ft. below the collar.

ROSE DEEP, LIMITED

Ore milled 130,000 tons.	Yield 20,913 oz. fine.	Yield per ton 3.217 dwt.
		Per Ton Milled
		s. d.
Working Revenue	£261,085	40 2
Working Expenditure	260,180	40 0
WORKING PROFIT	£905	0 2

Allowing for sundry revenue £3,000, and adjustment of Outstanding Liabilities Trust Fund (Cr.) £400, **Total Profit was £4,305.**

TAXATION.—£1,765.

CAPITAL EXPENDITURE on Property £300, and Trade Investments (Dr.) £5,700.

REDUCTION OF CAPITAL.—At the Ordinary General Meeting of the Company held on the 7th May, 1956, a Special Resolution was passed providing for the reduction of the Company's capital from £490,000 to £402,500 divided into 700,000 shares of 11s.6d. each. The reduction has been confirmed by an Order of the Supreme Court of the Union of South Africa which was registered on 30th June, 1956, from which date it immediately became effective. Repayment of 2/6d. per share in cash will be made on or about 8th August, 1956, to shareholders registered on 30th June, 1956.

NOTICE OF CLOSURE.—The following announcement was published in the press on the 19th June, 1956:—

"The Directors of Rose Deep Limited announce that due to the steady decline in the ore reserves of the mine and the consequent reduction in the number of working faces, there has been an unavoidable decrease in the tonnage of ore milled. As a consequence operations are being maintained only with the greatest difficulty. Any additional adverse factor, such as a further decrease in the tonnage milled, an increase in the unit working costs, or a decline in yield, will inevitably render operations unprofitable. In the circumstances it has been deemed necessary to give the statutory three months' notice to the Government, in terms of the Gold Law, of the possible cessation of mining operations. Every effort will be made, nevertheless, to continue profitable operations at the mine beyond the period of notice."

DEVELOPMENT totalled 2,042 ft.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef	790	300	38.0	7.3	43
Main Reef Leader	80	40	50.0	6.6	24
Composite Reef	240	130	54.2	7.1	35
South Reef	460	320	69.6	5.7	50
Totals and Averages	1,570	790	50.3	6.5	44

HARMONY GOLD MINING COMPANY, LIMITED

CAPITAL at 30th June, 1956 — £4,500,000 in 5s. shares, all issued, fully paid. **NOTE:** The remaining 6% Registered Unsecured Redeemable Notes were all redeemed on 30th April, 1956.

Ore milled 238,000 tons.	Yield 94,012 oz. fine.	Yield per ton 7.900 dwt.
		Per Ton Milled
		s. d.
Working Revenue	£1,173,550	98 7
Working Expenditure	678,274	57 0
WORKING PROFIT	495,276	41 7

Allowing for profit from uranium (subject to adjustment) £261,200, sundry revenue £5,400 and adjustment of interest on redeemable notes (Cr.) £400, **Total Profit was £762,276.** **TAXATION £100.**

URANIUM LOAN ACCOUNT.—Quarterly instalment Dr. £94,800 made up of Capital £65,900 and Interest £28,900.

No allowance has been made for this payment in arriving at the estimated profit from uranium shown above.

CAPITAL EXPENDITURE.—Capital expenditure on property, shaft sinking, equipment, etc., (Net) amounted to £749,700 which includes £89,300 expended in connection with the uranium and pyrite flotation plants.

17 LEVEL TWIN FOOTWALL HAULAGES.—Progress was retarded by the cementation of further water fissures and the advance for the quarter totalled 1,545 ft. A total of 40 boreholes have so far been drilled from these haulages up to the Basal Reef and in four of these holes the reef was not fully developed, possibly due to an area of elevated footwall. The 40 boreholes averaged 12.20 dwt. per ton over a channel width of 30 inches, equal to 366 inch-dwt.

NO. 2 SHAFT.—The installation of the permanent hoists and headgear and of sinking equipment is nearing completion, and full scale sinking is scheduled to commence early in August, 1956.

DEVELOPMENT totalled 14,780 ft.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Basal Reef	7,020	4,965	66.5	12.8	37
NO. 2 SHAFT was sunk 62 ft. to a total depth of 128 ft. below the collar.					
ORE RESERVE at 30th June, 1956, has been re-estimated as follows:—					
		Tons		Value Dwt.	Width In.
Available		1,700,000	8.5	54.3	
Not available		146,000	8.2	56.9	
Total		1,846,000	8.5	54.5	

CONSOLIDATED MAIN REEF MINES AND ESTATE, LIMITED

Ore Milled 512,000 tons.	Yield 69,945 oz. fine.	Yield per ton 2.732 dwt.
		Per Ton Milled
		s. d.
Working Revenue	£872,684	34 1
Working Expenditure	843,013	32 11
WORKING PROFIT	£29,671	1 2

Allowing for sundry revenue £6,700 and adjustment of Outstanding Liabilities Trust Fund (Cr.) £700, **TOTAL PROFIT** was £37,071.

TAXATION.—£1,000.

DIVIDEND No. 93 of 2s. per share, declared on 14th June, 1956, £124,800.

DEVELOPMENT totalled 8,991 ft.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Kimberley Reef	770	210	27.3	3.7	55
Bird Reef	830	570	68.7	4.6	46
South Reef	420	160	38.1	18.4	12
Main Reef Leader	3,370	1,210	35.9	56.3	7
Main Reef	1,230	500	40.7	9.3	31
Totals and Averages	6,620	2,650	40.0	12.9	24
ORE RESERVE at 30th June, 1956, has been re-estimated as follows:—					
		Tons		Value Dwt.	Width In.
Available		1,780,000	3.5	53.1	
Not available		1,241,000	4.5	54.3	
TOTAL		3,021,000	3.9	53.6	

MAPS OF THE O.F.S. AND KLERKSDORP FIELDS

★While a mine is at the development stage, it is of vital importance to have a visual picture of its position in relation to the field as a whole. Otherwise the quarterly results published by the companies lose much of their significance.

★Results reported from adjacent mines often have a direct bearing on the one in which you are interested, which, however can only become apparent if you have clearly in mind the position of all the properties in relation to one another.

The Technical Map Service has recently published a new edition of the KLERKSDORP GOLDFIELD map.

A new edition of the ORANGE FREE STATE GOLDFIELD map is in preparation.

★The Technical Map Service, located in Johannesburg, performs this service most effectively, both for the Orange Free State and Klerksdorp fields. These maps and their accompanying statistical handbooks show:—

- the exact position of each mine on the field
- where in each property boreholes have been or are being sunk, how far they have gone and what the core recovery has been on reef intersection
- what shafts are being sunk, how far they have gone and what the final depth is expected to be.

Obtainable in London from **The Mining Journal** Price 25s. each (plus 1s. postage)

UNION CORPORATION, LIMITED.

(Incorporated in the Union of South Africa)

Directors' Reports of Gold Mining Companies Incorporated in the Union of South Africa, for Quarter ended 30th June, 1956.

London Office: Princes House, 95, Gresham Street, London, E.C.2.

EAST GEDULD MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL ... £1,800,000 STOCK IN UNITS OF 4s. EACH

Tons Milled .. 439,000	Gold Produced (in oz. fine) .. 135,005
Yield per Ton Milled (dwt.) .. 6.15	Per Ton Milled s. d.
Working Revenue	£1,684,779 .. 76 9
Working Costs	722,753 .. 32 11
WORKING PROFIT	962,026 .. 43 10
Sundry Revenue, including dividends, less Sundry Expenditure	42,509
TOTAL PROFIT (subject to Taxation and Government's share)	£1,004,535
Estimated Taxation and Government's share of profit	£513,000
Capital Expenditure	£ 5,508

DEVELOPMENT :

PAYABLE DEVELOPMENT

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in. dwt.	Inch. dwt.
Main Reef	2,383	1,640	760	46	9.2	27	249

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

DIVIDEND : On 8th June, 1956. Dividend No. 49 of 2s. per unit of stock was declared payable to stockholders registered at 30th June, 1956. Dividend Warrants will be posted about 8th August, 1956.

GEDULD PROPRIETARY MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL .. £1,460,857 IN SHARES OF £1 EACH

Tons Milled .. 312,000	Gold Produced (in oz. fine) .. 49,817
Yield per Ton Milled (dwt.) .. 3.19	Per Ton Milled s. d.
Working Revenue	£622,731 .. 39 11
Working Costs	527,799 .. 33 10
WORKING PROFIT	94,932 .. 6 1
Sundry Revenue, including dividends, less Sundry Expenditure	359,262
TOTAL PROFIT (subject to Taxation)	£454,194
Estimated Taxation	£29,800
Capital Expenditure	£ Nil

DEVELOPMENT :

PAYABLE DEVELOPMENT

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in. dwt.	Inch. dwt.
Black Reef	4,009	3,720	1,060	28	7.6	43	327

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

DIVIDEND : On 8th June, 1956. Dividend No. 83 of 6s. 9d. per share was declared payable to shareholders registered at 30th June, 1956. Dividend Warrants will be posted about 8th August, 1956.

THE GROOTVLEI PROPRIETARY MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL .. £2,859,704 STOCK IN UNITS OF 5s. EACH

Tons Milled .. 594,000	Gold Produced (in oz. fine) .. 127,794
Yield per Ton Milled (dwt.) .. 4.30	Per Ton Milled s. d.
Working Revenue	£1,593,801 .. 53 8
Working Costs	902,347 .. 30 5
WORKING PROFIT	691,454 .. 23 3
Sundry Revenue less Sundry Expenditure	11,929
TOTAL PROFIT (subject to Taxation and Government's share)	£703,383
Estimated Taxation and Government's share of profit	£354,800
Capital Expenditure	£3,119

DEVELOPMENT :

PAYABLE DEVELOPMENT

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in. dwt.	Inch. dwt.
Main Reef	6,815	4,940	2,815	57	11.1	16	178
Kimberley Reef	1,397	760	250	33	23.6	8	189

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

DIVIDEND : On 8th June, 1956. Dividend No. 35 of 1s. 1d. per unit of Stock was declared payable to stockholders, registered at 30th June, 1956. Dividend Warrants will be posted about 8th August, 1956.

ST. HELENA GOLD MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £4,812,500 IN SHARES OF 10s. EACH

Tons Milled .. 326,000	Gold Produced (in oz. fine) .. 94,244
Yield per Ton Milled (dwt.) .. 5.78	Per Ton Milled s. d.
Working Revenue	£1,176,219 .. 72 2
Working Costs	669,125 .. 41 1
WORKING PROFIT	507,094 .. 31 1
Sundry Expenditure less Sundry Revenue	10,975
TOTAL PROFIT (subject to Taxation and Government's share)	£496,119
Estimated Taxation and Government's share of profit	£ Nil
Capital Expenditure	£365,887

DEVELOPMENT :

PAYABLE DEVELOPMENT

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in. dwt.	Inch. dwt.
Basal Reef	8,898	3,710	2,120	57	14.7	30	441

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

NO. 2 SHAFT was sunk 919 ft. to a total depth of 2,510 ft. below surface.

WINKELAAK MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL .. 12,000,000 SHARES OF 10s. EACH

REPORT OF THE DIRECTORS for the Quarter ended 30th June, 1956

SHAFT SINKING : At the end of the quarter the depths of the shafts were as follows :—

No. 1 Shaft	664 ft.	No. 3 Shaft	776 ft.
No. 1A Ventilation Winze	816 ft.	No. 3A Ventilation Winze	735 ft.

BUILDINGS AND PLANT : Good progress continues to be made with the initial programme and a number of permanent buildings are nearing completion. The permanent electrical sub station is being erected and a further 40 drill air compressor has been brought into commission.

EUROPEAN HOUSING : Of the original programme of 138 houses at Evander Township, some are already complete and occupied while the rest are progressing rapidly. A start is being made on the erection of an additional 90 houses.

EXPENDITURE : Winkelhaak Mines, Limited.—Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to £349,083.

Evander Township, Limited.—Capital expenditure by this Company amounted to £244,652.

VAN DYK CONSOLIDATED MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £2,766,000 IN SHARES OF 10s. EACH

Tons Milled .. 240,000 Gold Produced (in oz fine) .. 38,952
 Yield per Ton Milled (dwt.) .. 3.25

	Per Ton Milled s. d.
Working Revenue	£485,811 .. 40 6
Working Costs	480,236 .. 40 0
WORKING PROFIT	5,575 .. 6
Sundry Revenue less Sundry Expenditure	3,232
TOTAL PROFIT (subject to Taxation and Government's share)	£8,807
Estimated Taxation and Government's share of profit	£ Nil
Capital Expenditure	£4,391

DEVELOPMENT :

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in.	Inch/dwt.
Main Reef—all shafts ..	3,962	3,940	1,025	26	12.9	24	309
No. 5 Shaft area included above ..	998	905	220	24	6.8	31	212
Kimberley Reef ..	557	275	50	18	2.5	75	187

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

MARIEVALE CONSOLIDATED MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £2,250,000 IN SHARES OF 10s. EACH

Tons Milled .. 215,000 Gold Produced (in oz fine) .. 56,556
 Yield per Ton Milled (dwt.) .. 5.26

	Per Ton milled s. d.
Working Revenue	£705,344 .. 65 7
Working Costs	444,097 .. 41 4
WORKING PROFIT	261,247 .. 24 3
Sundry Revenue less Sundry Expenditure	5,745
TOTAL PROFIT (subject to Taxation and Government's share)	£266,992
Estimated Taxation and Government's share of profit	£127,400
Capital Expenditure	£11,858

PAYABLE DEVELOPMENT**DEVELOPMENT :**

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in.	Inch/dwt.
Main Reef ..	4,328	2,935	885	30	17.8	14	249
Kimberley Reef ..	3,987	2,875	1,185	41	9.0	22	198

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

DIVIDEND : On 8th June, 1956, Dividend No. 32 of 1s. per share was declared payable to shareholders registered at 30th June, 1956. Dividend Warrants will be posted about 8th August, 1956.

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JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED GROUP

MINING COMPANIES' REPORTS FOR QUARTER ENDED 30th JUNE, 1956 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER

(All Companies mentioned are incorporated in the Union of South Africa)

GENERAL REMARKS.—In determining the payable footage, gold has been taken at 248s. 3d. per ounce fine. The development values are the actual results of the sampling of development work on reef; no allowance has been made for modifications which may be necessary when computing ore reserves.

GOVERNMENT GOLD MINING AREAS (Modderfontein) CONSOLIDATED, LIMITED

ISSUED CAPITAL	£1,400,000	
(Divided into 5,600,000 shares of 5s. each, fully paid)		
	Quarter ended 30th June 1956	Quarter ended 31st March 1956
OPERATIONS		
Tons crushed	742,000	697,000
Gold-ounces fine	91,075	89,922
Yield per ton—dwts.	2.455	2.580
Cost per ton Crushed	30s. 8d.	32s. 1d.
RESULTS OF OPERATIONS		
Revenue from Gold and Sundry Revenue ..	£1,149,975	£1,134,907
Less : Working Costs	1,139,140	1,119,124
PROFIT FROM GOLD MINING	£10,835	£15,783
Estimated Net Revenue from Pyrite, subject to future adjustments and representing the estimated value of the output less plant operating costs and provision for interest on and repayment of the loans raised for the project	40,561	40,277
OPERATING PROFIT FOR QUARTER	£51,396	£56,060
Less : Estimated Government's Share of Profits and Taxation for the quarter	6,390	8,610
Profit after Taxation	£45,006	£47,450
CAPITAL EXPENDITURE	£6,679	£10,689
PYRITE LOANS		
Quarterly instalment paid in respect of interest on and redemption of loans raised by this Company	£10,350	£10,350
Balance of the Pyrite Loans at end of the quarter	£290,360	£297,775
DEVELOPMENT		
Total Development—feet	5,799	3,513
Sampled—feet	4,905	2,835
Payable—feet	1,715	930
Percentage Payable	35	33
Value—dwts.	7.2	6.5
Width—inches	34	37
Inch-dwts.	245	240

THE EAST CHAMP D'OR GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL	£259,875	
(Divided into 2,079,000 shares of 2s. 6d. each, fully paid)		
	Quarter ended 30th June, 1956	Quarter ended 31st March 1956
OPERATIONS		
Tons Crushed	39,000	50,000
Gold—ounces fine	2,864	2,939
Yield per ton—dwts.	1.469	1.176
Cost per ton Crushed	58s. 9d.	60s.
RESULTS OF OPERATIONS		
Revenue from Gold and Sundry Revenue ..	£36,211	£37,198
Estimated Net Revenue from Uranium, subject to future adjustments and representing the estimated value of the output less treatment charges and provision for interest on and repayment of the loans raised for the project	97,000	131,000
Less : Working Costs	£133,211	£168,198
	114,621	150,090
OPERATING PROFIT FOR QUARTER	£18,590	£18,108
Less : Estimated Taxation	4,400	2,910
Profit after Taxation	£14,190	£15,198
URANIUM LOANS		
Quarterly instalment paid in respect of interest on and redemption of loans raised for the project	£4,766	£4,766
Balance of Uranium Loans at end of the quarter	£137,131	£140,513
DEVELOPMENT		
All on Bird Reef Series		
Total Development—feet	4,056	6,311
Sampled—feet	1,900	3,415
Payable—feet	1,060	1,880
Percentage payable on account of the combined gold and uranium content	56	55

FREDDIES CONSOLIDATED MINES, LIMITED

ISSUED CAPITAL	£16,359,913	
(Divided into 16,359,913 shares of £1 each, fully paid)		
	Quarter ended 30th June, 1956	Quarter ended 31st March 1956
OPERATIONS		
Tons Crushed	171,000	198,000
Gold—ounces fine	36,329	35,875
Yield per ton—dwts.	4.25	3.62
Costs per ton Crushed	67s. 2d.	60s. 9d.
RESULTS OF OPERATIONS		
Revenue from Gold and Sundry Revenue ..	£464,117	£454,365
Less : Working Costs	574,277	601,430
LOSS ON GOLD MINING	£110,160	£147,065
Estimated Net Revenue from Uranium, subject to future adjustments and representing the revenue accruing to this Company from sales of uranium oxide less pumping and plant treatment costs and after providing for the Company's proportionate share of the amortisation of the Welkom Uranium Plant for the quarter and for its own loan repayments for that period	55,000	45,000
OPERATING LOSS FOR QUARTER	£55,160	£102,065
INTEREST PAYABLE		
On amounts advanced to the Company by the National Finance Corporation of South Africa and certain Building Societies (Not taken into account in arriving at the loss for the quarter)	£15,535	£15,342
CAPITAL EXPENDITURE		
On Mining Installations	£2,442	£22,953
On Additional Development carried out in excess of that which was estimated to be necessary to replace the current mining of ore reserves	7,000	106,290
Total Capital Expenditure for the Quarter	£9,442	£129,243

During the months of May and June, 1956, no charge for the development was made to Capital Account, the full cost for development being charged to Working Costs.

URANIUM LOANS

Quarterly Instalment paid in respect of interest on and redemption of loans raised by this Company	£6,259	£6,259
Balance of Uranium Loans at end of the quarter	£197,592	£201,862

STOPING AND DEVELOPMENT

	Quarter ended 30th June, 1956			Quarter ended 31st March, 1956		
Stoping—Fathoms	15,618			13,462		
Inch-dwts.	331			282		
	North	North	Total	North	North	Total
Development	1	2		1	2	
Total development—ft.	4,204	8,777	12,981	7,912	10,642	18,554
Sampled—ft.	1,215	1,340	2,555	1,780	1,180	2,960
Payable—feet	710	1,095	1,805	940	605	1,545
Percentage payable	58	82	71	83	51	52
Value—dwts.	58.5	66.7	63.5	55.7	83.0	66.5
Width—inches	6	6	6	6	6	6
Inch-dwts.	351	400	381	334	498	399

By the end of the quarter under review the total footage sampled in the 17 Haulage East reef at No. 2 North Shaft amounted to 2,235 feet, at an average value of 481 inch-dwts. (previous quarter 1,445 feet, at an average value of 524 inch-dwts.).

GENERAL REMARKS

- (i) South Section
The reclamation of equipment in No. 1 South Shaft and clean-up operations at the South Reduction Plant were completed during the quarter.
- (ii) Shares in Free State Geduld Mines Limited.
There were no sales of shares in Free State Geduld Mines, Limited, during the quarter ended 30th June, 1956, and this Company's holding remained at 70,000 fully paid shares.

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LTD.

ISSUED CAPITAL £4,063,553
(Divided into 4,063,553 shares of £1 each, fully paid)

	Quarter ended 30th June 1956	Quarter ended 31st March 1956
OPERATIONS		
Tons Crushed	717,000	751,000
Gold — ounces fine	68,515	73,525
Yield per ton — dwts.	1.911	1.958
Cost per ton Crushed	49s. 0d.	46s. 8d.
RESULTS OF OPERATIONS		
Revenue from Gold and Sundry Revenue ..	£ 879,511	£ 937,996
Estimated Net Revenue from Uranium and Acid, subject to future adjustments and representing the estimated value of the output less plant operating costs and provision for interest on and repayment of the loans raised for the project	1,190,000	1,115,000
	£2,069,511	£2,052,996
Less : Working Costs	1,755,737	1,752,154
OPERATING PROFIT FOR QUARTER ..	£313,774	£300,842
Less : Estimated Taxation on Non-Mining Income ..	1,050	550
Profit after Taxation	£312,724	£300,292

TAXATION : The Company was not liable for taxation on its income from mining for the respective quarters.

CAPITAL EXPENDITURE ON GOLD DIVISION**CAPITAL EXPENDITURE ON URANIUM PROJECT****URANIUM LOANS**

Quarterly Instalment paid in respect of Interest on and redemption of loans raised for the project

Balance of Uranium Loans at end of Quarter ..

	Quarter ended 30th June 1956	Quarter ended 31st March 1956
	£62,364	£57,586
	£16,897	£16,570
	£209,738	£209,738
	£6,034,528	£6,183,339

DEVELOPMENT

Total Development — feet

Main Reef Series

Development — feet

Sampled — feet

Payable — feet

Percentage payable

Inch — dwts.

Bird Reef Series

Development — feet

Sampled — feet

Payable — feet

Percentage payable on account of the combined gold and uranium content

26,560

2,383

1,125

905

80

230

24,177

8,550

4,525

53

26,472

2,721

1,285

295

23

263

23,751

5,950

2,640

44

10 and 11 Austin Friars, London, E.C.2.
18th July, 1956.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED,
D. L. REYNOLDS, Secretary.

SPAARWATER GOLD MINING CO., LTD.

(Registered in the Union of South Africa)

**REPORT OF THE DIRECTORS
for the Quarter ended June 30th, 1956**

Tons Milled	32,100
Total yield in ounces fine	9,427.26
Total yield per ton (dwt.)	5.874
Working Revenue	£117,478
Cost of Mining and Milling	92,564
Excess of Revenue over cost of Mining and Milling	24,914
Expenditure on Development	24,001
WORKING PROFIT	£913
Expenditure on Capital Account	£863
Government Taxes	Nil

DEVELOPMENT

The total footage advanced during the quarter amounted to 3,545 feet. The footage sampled amounted to 2,665 feet, of which 710 feet, equal to 26.6 per cent proved payable at an average value of 5.6 dwt. per ton over an estimated stoping width of 38.6 inches, equivalent to 216 inch-dwts.

WESTERN SECTION OF MINE

Development in the Western Section of the Mine continued during the quarter. The footage sampled amounted to 1,820 feet, of which 430 feet, equal to 23.6 per cent proved payable at an average value of 5.0 dwt. per ton over an estimated stoping width of 38.0 inches, equivalent to 190 inch-dwt.

43 Int. W.15 Haulage was advanced 508 feet towards the western boundary of the mine. The footage sampled, included in the above figures, amounted to 345 feet, all of which proved unpayable.

Development returns show the actual sampling results : adjustments which may be required when estimating ore reserves have not been applied.

By Order of the Board,
J. F. INCE, London Secretary.
London Office : Finsbury Pavement House,
120 Moorgate, London, E.C.2.

July 19, 1956.

WITWATERSRAND NIGEL LIMITED

(Incorporated in the Union of South Africa)

**REPORT OF THE DIRECTORS
for the Quarter ended 30th June, 1956****PRODUCTION**

Tons milled	55,100
Yield (in oz. fine)	12,007
Yield per Ton Milled (dwts.)	4.358
Working Revenue	£149,668
Working Costs	131,250
Working Profit	18,418
Add : Sundry Revenue	1,985
NET PROFIT	£20,403

(*218s. 7d. per oz. fine.)

CAPITAL EXPENDITURE

The Capital Expenditure for the quarter amounted to £34,434, of which £31,506 was spent at No. 3 Shaft.

DEVELOPMENT

Development Footage	4,166 feet
Footage on Reef	2,544 feet
Footage Sampled	2,550 feet

The payable reef disclosures were as follows :—
875 feet, or 34%, averaging 13.8 dwts. per ton over a width of 15.9 inches, equivalent to 220 inch-dwts.
(No allowance has been made in the above results for adjustments necessary before calculation of the corresponding Ore Reserve.)

ORE RESERVE

The estimated Ore Reserve at 30th June, 1956, was 738,000 tons, averaging 4.6 dwts. per ton over a stoping width of 37 inches.

No. 3 SHAFT

The shaft was sunk 470 feet to a depth of 1,415 feet in hard igneous rock.

By Order of the Board,
J. F. INCE, London Secretary,
London Office : Finsbury Pavement House,
120 Moorgate, London, E.C.2.

July 19th, 1956

The Mining Journal ANNUAL REVIEW—1956 EDITION

THIS YEAR'S REVIEW IS NOW COMPLETELY SOLD OUT.

We have established a register of all those whose orders we have regretfully had to return and we will ensure that they receive early notification of next year's edition.

GENERAL MINING & FINANCE CORPORATION, LIMITED

(Incorporated in the Union of South Africa)

GOLD MINING COMPANIES' DIRECTORS' REPORTS FOR THE QUARTER ENDED 30th JUNE, 1956
All companies mentioned are incorporated in the Union of South Africa

WEST RAND CONSOLIDATED MINES, LTD.

	North and South Plants	West Plant	Combined Plants
Ore Milled—tons	497,000	224,000	721,000
Gold Produced—ounces fine	64,733	8,876	73,609
Recovery per ton—dwt.	2.60	0.79	2.04
WORKING REVENUE AND EXPENDITURE :			
Net Profit from Uranium, being Gross Revenue less recovery costs (subject to adjustment)	£ —	£ 981,000	£ 981,000
Revenue from Gold	805,228	110,407	915,635
TOTAL WORKING REVENUE	805,228	1,091,407	1,896,635
Working Costs (Gold only)	818,534	447,783	1,266,317
WORKING PROFIT/LOSS (Loss)	13,306	643,624	630,318
Sundry Revenue	38,426	407	38,833
TOTAL PROFIT	£25,120	£644,031	£669,151
	s. d.	s. d.	s. d.
Working Revenue—per ton milled	32 5	97 5	52 7
Working Costs—per ton milled	32 11	40 0	35 2
Working Profit/Loss—per ton milled	6	57 5	17 5
Provision for Taxation			£244,000
Capital Expenditure (excluding Uranium Plant)			£35,808

Tenth quarterly instalment towards repayment of Uranium Loan Funds received up to 31st December, 1954 (made up of Capital £54,953 and Interest £19,519) £74,472

URANIUM PLANT.—Capital Expenditure on the uranium and related plants was £22,921, of which amount £10,806 was met from loan funds. The loan funds obtained for the purpose of constructing the uranium and related plants have been exhausted, and the balance of £12,115 of the Expenditure for the quarter, together with any future Capital Expenditure, will be appropriated from profits.

DEVELOPMENT.—The total footage advanced during the quarter was 30,747 ft., of which 15,719 ft. were accomplished on the Bird Reef Series, and 15,028 ft. on the Main, Livingstone and Kimberley Reef Series. Of the latter footage 6,215 ft. were sampled, giving the results shown.

	Footage Payable	Percentage Payable	Av. value dwt./ton	Reef Channel In. width—in. dwt.
Main Reef	1,800	67.42	9.66	34.83 336
South Reef	895	56.83	8.35	21.77 182
Livingstone Reef	900	45.69	6.67	40.46 270
Kimberley Reef				
Totals	3,595	57.84	8.53	32.99 281

The above values represent actual results of sampling, no allowance having been made for any reduction which, subsequently, may be considered necessary when compiling the ore reserve.

Of the 15,719 ft. advanced on the Bird Reef Series, 6,810 ft. were sampled of which 5,610 ft., equivalent to 82.38%, proved payable on a combined Gold/Uranium content.

DIVIDENDS.—The following Dividends have been declared in Union of South Africa currency, payable to all shareholders registered on 30th June, 1956 :—

Dividend No. 50 of 17½% (equal to 1/9d. per share) on the Ordinary Shares.
Dividend No. 41 of £4 19s. 2d. per share on the Deferred Shares.

STH. ROODEPOORT MAIN REEF AREAS, LTD.

Ore milled, tons, £2,500	Gold produced, ozs. fine, 19,099
Recovery per ton, dwt., 4.63	
WORKING REVENUE AND EXPENDITURE :	
Working Revenue	£ 237,574
Working Costs	171,443
WORKING PROFIT	66,131
Sundry Revenue	2,745
TOTAL PROFIT	£68,876
Provision for Taxation	£23,250
Capital Expenditure	£14,937

	Total footage	Footage sampled	Footage payable	Percentage payable	Value dwt./ton	Width in. dwt.
	7,517	3,265	1,505	46.1	9.7	27 262

The above values represent actual results of sampling, no allowance having been made for any reductions which were considered necessary when compiling the Ore Reserve.

ORE RESERVE.—The fully developed ore reserve, recalculated as at 30th June, 1956, amounted to 1,110,000 tons having an average value of 4.8 dwt. per ton over a stoping width of 47 inches.

This tonnage is made up of 1,009,000 tons at 4.8 dwt. per ton over 46 inches fully developed and available for stoping and 101,000 tons at 4.7 dwt. per ton over 58 inches fully developed but not at present available for stoping on account of its acting as shaft and safety pillars.

Included in the above figures are 77,000 tons at 4.1 dwt. over 43 inches on the Farm Luipaardsvlei No. 30.

DIVIDEND.—A Final Dividend No. 29 of 11½ per cent (equal to 1s. 1½d. per share) in respect of the financial year ended 30th June, 1956, was declared payable to all shareholders registered on that date.

ELLATON GOLD MINING CO. LTD.

Tons milled, 96,000	Gold produced (oz. fine) 22,509
Recovery per ton milled (dwt.) 4.689	
GOLD :	
Working Revenue	£280,552
Working Cost	£183,423
WORKING PROFIT	£97,129

	Per ton milled	Per oz. fine
Working Revenue	58/5.4	249/3.3
Working Cost	38/2.6	162/11.7
WORKING PROFIT	20/2.8	86/3.6

URANIUM :	
WORKING PROFIT (subject to adjustment and after deduction of amounts paid in respect of the use of the Stilfontein Plant)	
	£34,266
TOTAL WORKING PROFIT	£131,395

Capital Expenditure (gold) £1,802
Capital Expenditure (uranium) Cr. 9,079
Uranium Loan Repayment, Instalment, Capital and Interest 16,112
Amortisation Contributions received from other participants in the Uranium Joint Pumping Scheme 13,507

DEVELOPMENT.—The total footage advanced during the quarter was 4,333 ft. Of this total, 2,246 ft. were on reef and 2,205 ft. were sampled, giving the following results :—

	Footage Payable	Per cent Payable	Av. value dwt./ton	Reef Channel In. width—in. dwt.
Vaal Reef	1,255	56.9	9.0	28.0 251

ORE RESERVES.—The ore reserve fully developed as at 30th June, 1956, amounted to 576,000 tons at an average value of 6.34 dwts. per ton over an estimated stoping width of 44 inches.

STILFONTein GOLD MINING CO. LTD.

Tons milled, 271,000	Gold produced (oz. fine) 106,364
Recovery per ton (dwt.) 7.850	
GOLD :	
Working Revenue	£ 1,326,947
Working Cost	701,162
WORKING PROFIT	625,785
URANIUM AND ACID :	
Working Profit (subject to adjustment)	174,905
TOTAL WORKING PROFIT	800,690

	Footage Payable	Percentage Payable	Av. value dwt./ton	Reef Channel In. width—in. dwt.
Vaal Reef	3,725	89.8	96.8	4.4 426
Contact Reef	40	23.5	8.7	19.3 168
Total	3,765	87.2	94.0	4.5 423

DEVELOPMENT.—The total footage advanced during the quarter was 12,926 ft. Of this total 4,337 ft. were on reef and 4,320 ft. were sampled, giving the following results :

	Footage Payable	Percentage Payable	Av. value dwt./ton	Reef Channel In. width—in. dwt.
Vaal Reef	3,725	89.8	96.8	4.4 426
Contact Reef	40	23.5	8.7	19.3 168
Total	3,765	87.2	94.0	4.5 423

SHAFT SINKING.—During the quarter the Margaret Shaft was sunk a further 177 ft. to a depth of 3,924 ft.

BUFFELSFONTEIN GOLD MINING CO. LTD.

SHAFT SINKING.—The Pioneer Main Shaft was completely equipped and the temporary sinking sheaves and supporting steelwork were removed from the headgear. The underground feed belt conveyor, loading chutes and the permanent chutes and rock bin were also completed. The shaft was commissioned for hoisting on the 15th June, 1956.

DEVELOPMENT.—A total development footage of 7,288 ft. was accomplished during the quarter. Of this, 1,820 ft. were on Vaal Reef and 1,815 ft. were sampled giving the following results :—

	Footage Payable	Percentage Payable	Av. value dwt./ton	Reef Channel In. width—in. dwt.
Vaal Reef	1,815	100.0	10.35	43.2 447

In addition 1,194 ft. were advanced in the preparation of the main ore and waste pump systems between 8 and 14 levels. The excavation of the permanent pump chamber and settling sumps is nearing completion.

REDUCTION PLANT.—The erection of the plant is nearing completion and it is anticipated that trial milling will commence towards the end of the year.

ELECTRIC POWER SUPPLY.—The electric power supply has been adequate for the present scale of operations.

COMPRESSED AIR SUPPLY.—The supply of compressed air from Stilfontein has been adequate for present purposes. The first compressor unit of 35,000 c.f.m. has been installed and is being tested.

EUROPEAN HOUSING.—In Stilfontein Township the Company owns 269 houses and a single quarters block comprising 80 rooms. A further 12 houses are in process of erection in the Township. Of the 40 houses to be built on the mine property, 10 have been completed and 12 are under construction.

NATIVE HOUSING.—In the permanent compound accommodation is available for 2,628 labourers. Native married quarters have been provided to accommodate 30 families.

LABOUR.—The number of employees in service as at 30th June, 1956, was as follows :

	Company	Contractors
European	417	170
Natives	2,136	590

CAPITAL EXPENDITURE.—Capital Expenditure for the quarter amounted to £1,031,894.

ANGLO-TRANVAAL CONSOLIDATED INVESTMENT CO. LIMITED

Mining Companies' Directors' Reports for Quarter Ended 30th June, 1956

Following are the reports on work done during the quarter ended 30th June, 1956

ANGLO-TRANVAAL COLLIERIES, LIMITED

The Sales Output of the Subsidiary Collieries controlled by this Company for the quarter ended 30th June, 1956, totalled 285,041 tons.

CONSOLIDATED MURCHISON (TRANVAAL) GOLDFIELDS & DEVELOPMENT COMPANY, LIMITED

PRODUCTION.—Tons crushed 39,507.
Estimated Profit from Antimony and Gold £83,834
TAXATION.—£98,000 in respect of profits amounting to £334,734 for the six months ended 30th June, 1956.
CAPITAL EXPENDITURE.—£1,561.

DEVELOPMENT.—During the quarter the development footage accomplished amounted to 3,165 ft., all of which was developed in connection with the antimony/gold ore bodies.

1,357 ft. were sampled, and 120 ft., equal to 9 per cent., proved to be payable on account of the combined antimony and gold content.

EASTERN TRANVAAL CONSOLIDATED MINES, LIMITED

PRODUCTION.—Tons milled 59,960, yielding 17,470 ounces fine of gold.
Revenue from Gold £218,592
Working Costs £176,765
Working Profit £41,827
Sundry Revenue £3,775
Total Profit for Quarter £45,602

DEVELOPMENT.—Footage advanced amounted to 9,813 ft.

CAPITAL EXPENDITURE.—The net amount charged to Capital Expenditure during the quarter amounted to £8,548.

SHAFT SINKING.—Agnes Gold Mine.—The Cesca Sub-vertical Shaft was sunk 99 ft. to a total depth of 268 ft. below the 17th level.

DIVIDEND.—A Dividend (No. 29) of 7½ per cent. (4½d. per Share) was declared payable to Shareholders registered at 30th June, 1956.

HARTEBEESTFONTEIN GOLD MINING COMPANY, LIMITED

PRODUCTION.—Tons milled 189,000, yielding 90,297 ounces fine of gold.
Revenue from gold £1,126,955
Working costs £ 623,700
Working profit £ 503,255
Sundry revenue £ 9,949
Total profit for quarter £ 513,204

Working costs per ton, 66s. 0d., include 9s. 10d. in respect of development expenditure.

Interest, amounting to £36,156, on loans raised by the Company, has not been taken into consideration in calculating the total profit shown above. This amount includes £1,524 under-provided for interest payable for the quarter ended 31st March, 1956.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—Nil.

DEVELOPMENT.—Footage advanced 20,712 ft.

Sampling results of development on Vaal Reef at No. 1 Shaft :—
Footage sampled 6,285
Channel width— inches 13.4
Inch-dwts. 456
Payable Footage (95.5%) 6,000
Channel width— inches 13.5
Inch-dwts. 474

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

CAPITAL EXPENDITURE.—Total for the quarter £949,342. This amount includes £100,551 in respect of excess development and £437,307 on the uranium plant.

MINE BUILDINGS AND PLANT.—Extensions to the reduction plant are proceeding satisfactorily. Two rod mills were brought into commission during the quarter.

Construction work on the uranium plant is proceeding.

The Native Hospital to serve the Hartebeestfontein, Buffelsfontein and Stilfontein Mines is nearing completion.

Work was commenced on the construction of the mine railway line from Koekemoer Siding.

EUROPEAN HOUSING.—60 houses were completed during the quarter, bringing the total built to 464. Work is proceeding on a further 54 houses and on a block of 33 flats.

NATIVE ACCOMMODATION.—Extensions to the compounds are proceeding. The Compound Administration building was completed.

LABOUR.—The labour strength at the end of the quarter was :—Europeans : 675. Natives : 4,767.

DIVIDEND.—A Maiden Dividend of 10 per cent. (1/- per share) was declared payable to Shareholders registered at 30th June, 1956.

LOAN REPAYMENT.—An amount of £250,000 was repaid to the Anglo American Corporation of South Africa, Limited, on 30th June, 1956.

ORE RESERVE AS AT 30TH JUNE, 1956.—

	Tons	Value (dwt.)	Stopping width (inches)
Available	1,636,000	9.40	40.5
Unavailable (No. 1 Shaft Pillar)	46,000	15.52	40.0
Totals and averages	1,682,000	9.57	40.5

MERRIESPRUIT (ORANGE FREE STATE) GOLD MINING COMPANY, LIMITED

PRODUCTION.—Tons milled 227,000, yielding 52,938 ounces fine of gold.
Revenue from gold £659,943
Working costs £532,379
Working profit £127,564
Sundry revenue £ 11,500
Total Profit from Gold Production £139,064
Estimated Profit from Uranium Production £ 14,968
Total Profit for Quarter £154,032

Working costs per ton, 46s. 11d., include 7s. 8d. in respect of development expenditure.

The following amount has not been taken into consideration in calculating the profit shown above :—

Debiture and Loan Stocks, Bank Overdraft—Interest £55,717
No loan repayment instalment was due for the quarter on loans obtained for uranium production.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS : Nil.

CAPITAL EXPENDITURE.—Total for quarter £607,121. This amount includes £115,433 in respect of excess development and £53,997 on uranium plant.

MINE BUILDINGS AND PLANT.—No. 1 Shaft.—The second compressor, of 25,000 cubic ft. per minute capacity, was brought into commission.

The erection of the second permanent winder was completed.
Work has commenced on the permanent building for the lamp room and native checking office.

The installation of permanent pumping arrangements is proceeding. Three mud pumps were installed.

The ventilation duct and foundations for the second main fan on the 35th level were completed, and the fan is being installed.

EUROPEAN HOUSING.—20 houses were completed during the quarter, bringing the total built to 346 houses. Work is proceeding on a further 84 houses and on the extensions to the single quarters.

NATIVE ACCOMMODATION.—Extensions to the compound are proceeding.

LABOUR.—The labour strength at the end of the quarter was :—Europeans, 549. Natives, 5,174.

ADDITIONAL LOAN STOCK.—Arrangements have been completed for the subscription by Kennecott Copper Corporation of a further £1,500,000 3% Registered Unsecured Loan Stock.

DEVELOPMENT.—Footage advanced 9,016 ft.

Development progress was seriously retarded in a number of main ends by the intersection in pilot holes of water-bearing fissures.

Sampling results of development on Leader and Basal reefs :—

	Leader Reef	Basal Reef	Totals and Averages
Footage sampled	240	3,155	3,395
Channel width— inches	75.2	18.4	22.4
Inch-dwt.	318	162	173
PAYABLE FOOTAGE SAMPLED :			
Payable footage	140	1,640	1,780
Percentage payable	58.3	52.0	52.4
Channel width— inches	81.1	21.3	26.0
Inch-dwt.	394	252	263

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

(Continued on page 18)

MIDDLE WITWATERSRAND (WESTERN AREAS) LIMITED

MINERAL RIGHTS.—The Company retains its interest in Mineral Rights in the Virginia District as well as the Odendaalsrus District of the Orange Free State and in the Klerksdorp District of the Transvaal.

The Company continues to hold prospecting contracts over approximately 83,000 morgen in the general vicinity of Delmas and Leslie and in the Standerton District of the Transvaal.

NEW KLERKSDORP GOLD ESTATES, LIMITED

PRODUCTION.—Tons milled 31,500, yielding 3,534 ounces fine of gold.

		Per Ton Milled
Revenue from gold	£44,063	28s. 0d.
Working costs	£63,335	40s. 3d. (35s. 6d. per ounce fine)
Working loss	£19,272	12s. 3d.
Sundry revenue	£1,951	1s. 3d.
Net loss from gold production	£17,321	11s. 0d.
Estimated profit from uranium production	£34,500	
Total profit for quarter	£17,179	

The following amounts have not been taken into consideration in calculating the profit and loss shown above:—

Loans obtained for gold production—Interest	£1,195
Loans obtained for uranium production:—	
Interest	£ 654
Loan repayments	£1,598
TOTAL	£3,447

TAXATION.—Nil.

During the quarter the Company acquired Mineral Option Contracts over approximately 1,200 morgen in the vicinity of Theunissen in the Orange Free State, and has the right to take over further Mineral Option Contracts over approximately 14,600 morgen in the same area.

PROSPECTING.—Drilling operations have commenced in the Standerton District of the Transvaal and the drilling of a borehole already commenced in the vicinity of Theunissen in the Orange Free State has been taken over.

DEVELOPMENT.—Footage advanced 1,602 ft.

Sampling results of development on Commonage Reef:—

Footage sampled	695
Channel width—Inches	23
Inch-dwt.	82
Payable footage (37.4%)	260
Channel width—Inches	44
Inch-dwt.	200

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

CAPITAL EXPENDITURE.—Total for the quarter £3,024. This amount includes £164 on uranium plant.

SHAFT SINKING.—No. 6 Sub-incline Shaft on Commonage Reef was deepened by 16 ft.

15 ft. were sampled having an average value of 1.83 dwt. over a channel width of 29 inches, equivalent to 53 inch-dwts. No payable results were obtained.

LABOUR.—The labour strength at the end of the quarter was:—Europeans 75. Natives: 682.

LOAN REPAYMENT.—During the quarter repayment of loans obtained for gold production amounted to £60,000.

RAND LEASES (VOGELSTRIJSFONTEIN) GOLD MINING COMPANY, LIMITED

PRODUCTION.—Tons milled 558,000, yielding 87,265 ounces fine of gold.

		Per Ton Milled
Revenue from gold	£1,088,469	39s. 0d.
Working costs	£1,072,528	38s. 5d. (24s. 10d. per ounce fine)
Working Profit	£ 15,941	7d.
Sundry Revenue	£ 17,000	7d.
Total profit for quarter	£ 32,941	1s. 2d.

Working costs per ton, 38s. 5d., include 5s. 3d. in respect of development expenditure.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—£5,000 in respect of profits amounting to £257,031 for the year ended 30th June, 1956.

DEVELOPMENT.—Footage advanced 21,137 ft.

Sampling results obtained:—

	FOOTAGE SAMPLED	Channel Width (in.)	In. dwt.	FOOTAGE SAMPLED	Channel Width (in.)	In. dwt.
Main Reef	1,315	42.1	169	685	52.1	46.2
Main Reef Leader	3,745	8.5	181	1,675	44.7	9.0
South Reef	770	15.2	202	720	93.5	14.6
Total: Main Reef Series	5,830	17.0	181	3,080	52.8	18.6
Bird Reef	3,920	46.3	123	1,310	33.4	51.1
Kimberley Reef	2,820	64.4	119	930	33.0	58.2
Totals and Averages	12,570	36.8	149	5,320	42.3	33.5

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

ORE RESERVE AS AT 30TH JUNE, 1956.—

	AVAILABLE	SHAFT AND SAFETY PILLARS	TOTAL
	Tons Value Width Dwt. Inches	Tons Value Width Dwt. Inches	Tons Value Width Dwt. Inches
Bird Reef	484,000 2.76 55.9	— — —	484,000 2.76 55.9
Kimberley Reef	421,000 2.63 64.7	— — —	421,000 2.63 64.7
Main Reef Series	2,168,000 4.14 44.4	779,000 5.12 44.5	2,947,000 4.40 44.4
Totals	3,073,000 3.72 48.0	779,000 5.12 44.5	3,852,000 4.00 47.3

CAPITAL EXPENDITURE.—£36,631.

SHAFT SINKING AND EQUIPPING.—No. 1 Tertiary Shaft: 65,529 cubic ft. were excavated in the cutting of the loading and tipping arrangements and in sliping a further portion of the shaft to full dimension.

220 ft. of lining and 250 ft. of equipping were accomplished during the quarter in the portion of the shaft above the 36th level.

LABOUR.—The labour strength at the end of the quarter was:—Europeans: 1,328. Natives: 8,730.

DIVIDEND.—A Dividend (No. 40) of 2½ per cent. (3d. per share) was declared payable to Shareholders registered at 30th June, 1956.

VIRGINIA ORANGE FREE STATE GOLD MINING COMPANY, LIMITED

PRODUCTION.—Tons milled 244,000, yielding 55,770 ounces fine of gold.

		Per Ton Milled
Revenue from gold	£695,700	57s. 0d.
Working Costs	£592,514	48s. 7d. (212s. 6d. per ounce fine)
Working Profit	£103,186	8s. 5d.
Sundry Revenue	£ 16,000	1s. 4d.
Total Profit from Gold Production	£119,186	9s. 9d.
Estimated profit from uranium production	£261,927	
Estimated profit from acid production	£ 73,419	
Total profit for quarter	£454,532	

Working costs per ton, 48s. 7d., include 7s. 2d. in respect of development expenditure.

The following amounts have not been taken into consideration in calculating the profit shown above:—

Debiture and Loan Stocks, Housing Loans and Bank Overdraft—Interest	£69,383
Loans obtained for Acid Production—Interest	£13,840
—Loan Repayment	£39,040
TOTAL	£122,263

No loan repayment instalment was due for the quarter on loans obtained for Uranium production.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—Nil.

DEVELOPMENT.—Footage advanced: 14,382 ft.

Sampling results of development on Basal and Leader Basal Reefs:—

Footage sampled	6,075
Channel width—Inches	34.5
Inch-Dwt.	228
Payable footage (50.0%)	3,035
Channel width—Inches	35.2
Inch-Dwt.	355

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

CAPITAL EXPENDITURE.—Total for quarter £559,236. This amount includes £130,315 in respect of excess development and £103,930 on uranium and acid plants.

MINE BUILDINGS AND PLANT.—The milling capacity of the reduction plant has been increased to 100,000 tons per month.

A fifth compressor, of 19,000 cubic ft. per minute capacity, was brought into operation.

Work on the permanent Rock Drill Shop, the permanent Lamp Room and the railway line into the storeyard is nearing completion.

EUROPEAN HOUSING.—6 houses were completed and 6 houses purchased, bringing the total provided at the end of the quarter to 484. Work is proceeding on a further 6 houses.

SHAFT SINKING.—No. 1 Shaft was sunk 117 ft. to a depth of 4,408 ft. below the collar.

The shaft was concrete lined to a depth of 4,377 ft., of which 129 ft. were accomplished during the quarter.

LABOUR.—The labour strength at the end of the quarter was:—Europeans: 812. Natives: 4,846.

VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED

PRODUCTION. —Tons milled 102,500, yielding 15,193 ounces fine of gold.		
Revenue from gold	£189,425	Per Ton Milled 36s. 11d.
Working costs	£163,577	31s. 11d. (215s. 4d. per ounce fine)
Working Profit	£ 25,848	5s. 0d.
Sundry Revenue	£ 1,189	3d.
Total Profit for Quarter	£ 27,037	5s. 3d.

Working costs per ton 31s. 11d., include 4s. 2d. in respect of development expenditure.

TAXATION.—£34,500 in respect of profits amounting to £114,319 for the year ended 30th June, 1956.

DEVELOPMENT.—Footage advanced, 3,193 ft. Reconditioning footage, 3,277 ft. Underground diamond drilling done as an aid to development and in exploratory work, 607 ft.

LABOUR.—The labour strength at the end of the quarter was :—Europeans: 191. Natives: 1,919.

DIVIDEND.—A dividend (No. 32) of 10 per cent. (1½d. per share) was declared payable to shareholders registered at 30th June, 1956.

yet apparent. Certainly, redundancy and automation are factors weakening labour's bargaining position, but some of the Unions are in an impregnable position, and an uncompromising attitude on their part could destroy any general hopes for wage restraint.

OUTLOOK INDIFFERENT FOR INDUSTRIAL SHARES

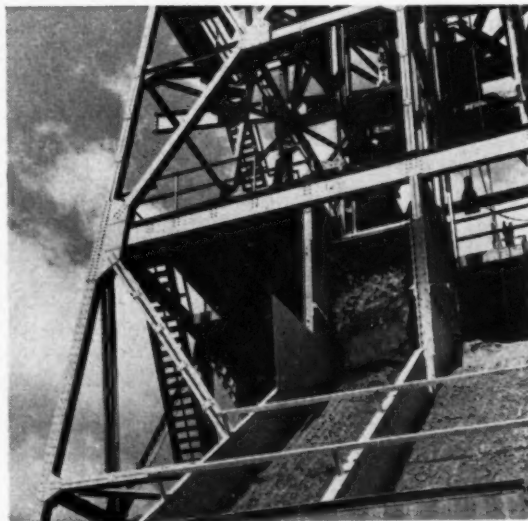
Without delving further into the position, enough has been said to make it clear that the outlook for industry in the months ahead, can hardly be described as bright. At this point it should be emphasized that this does not mean this country is headed for disaster or anything like it, but only that industry is committed to lower profit margins and an increasing number of restrictions which could even include dividend limitation. Thus there may be very little—apart from selected equities—for investors to go for in the industrial market until the painful process of re-deployment of labour in this country has been completed.

All that being so, and bearing in mind that gold shares at the present time offer extremely attractive yields, as well as considerable scope for capital appreciation, the South African gold share market may well begin to move into the long awaited upward movement. Indeed, signs of an incipient bull market have clearly revealed themselves.

Largely responsible for the fact that the Kaffir market provides an alternative sound source of investment is the way in which new mines in the O.F.S., in the Far Western Rand, and in the Klerksdorp district of the Western Transvaal have lived up to their early promise.

FIRST DECADE OF O.F.S. MINING

The quarterly reports of the past two years have told an impressive story of the difficulties that have had to be overcome by the developing mines from geological faulting and underground water. Since St. Helena and Welkom first entered the list of new producing mines in 1951, the output of gold has risen from 18,544 oz. in 1951 to 2,189,102 in 1955. Revenue during the same period has increased from £230,421 to £27,528,320. These figures apply only to the Orange Free State which is celebrating its first decade of development this year. Looking further ahead, the Klerksdorp field is expected to yield about 2,500,000 oz. of gold annually within a few years. Nor should it be forgotten that the S. African mining

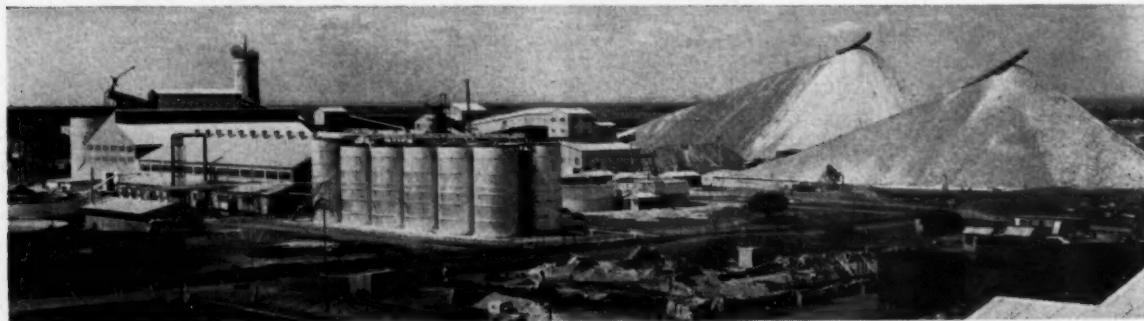


A skip tipping rock at the Annan Shaft, Doornfontein

industry has extended its activities to the Eastern Transvaal—a completely new area—near Kinross, about 75 miles east of Johannesburg, where Winkelhaak, under the sponsorship of Union Corporation, is making excellent progress.

But by and large the share market has followed closely the hopes and aspirations connected with Free State Geduld.

In recent months interest has been mounting in this share as underground development approaches the F.S. Geduld No. 1 borehole where the fabulous values of 23,000 in. dwt. were obtained some years ago. But before describing in some detail the present position at Free State Geduld, it must be said that the June quarterly reports have been warmly received as they forcibly indicate that earlier estimates of record output and profit figures for 1956 will be more than merely confirmed. This has had its encouraging impact on investors in Johan-



The reduction plant at Hartebeestfontein G.M., as seen from the top of the uranium leach plant. Browns tanks are shown in centre with waste rock dumps on right. The excavation in centre is the site of the uranium laboratory. Hartebeestfontein is scheduled to commence uranium production in January, 1957.

nesburg and London and there is every possibility that a continuation of the recent improvement, particularly of the new mines, will continue.

F.S.G. LEADS MARKET RECOVERY

As expected the recovery in the market has been led by Free State Geduld and this report was therefore of prime importance. If certain rather wild rumours circulating about three months ago are excluded, it may be said to be fully up to expectations for the present stage of developments. In the first place, it would seem that the management's prediction that the area to the south of the No. 2 shaft was likely to provide relatively favourable working conditions, is being fulfilled. The total footage sampled was 3,185 of which no less than 2,355 ft. were in the No. 2 shaft area, approximately half of this footage being to the south of the water-zone. The expectation that the No. 2 shaft area would supply the bulk of the tonnage in the early years of operation certainly seems to be justified. This is obviously of great importance because of the effect which it will have on the grade of ore milled.

An analysis of the quarterly report shows that development comparatively close to the No. 2 shaft averaged 1,000 in. dwt., and it may be accepted that the development south of the water-zone averaging 1,986 in. dwt. is probably a good 2,000 ft. north of borehole Geduld No. 1 (23,037 in. dwt.). This result, coupled with the 305 ft. averaging 1,600 in. dwt. in the March quarter, and bearing in mind the 1,150 ft. of past development averaging about 1,870 in. dwt. on the Western Holdings boundary some 3,000 ft. to the south, gives weighty confirmation of the presence of an extensive zone of enrichment south of the No. 2 shaft.

JACK-POT BY CHRISTMAS?

This latest quarterly report naturally gives rise to the question "When may development in the close vicinity of the Geduld No. 1 borehole be expected?" In considering this question it is as well to bear in mind that the first consideration of the management must be to increase the milling rate and the profitability of milling operations, and that this can only be achieved by opening stopes to the south of the No. 2 shaft as rapidly as possible. To achieve this, there are many factors which suggest that the reef development should for the time being be largely concentrated only a short distance to the south of the shaft. Not the least of these is the necessity of having haulages available on two levels before stoping can commence, and it is obvious that this requirement is more easily met comparatively near the shaft. It would therefore probably be wrong to expect development in the "jack-pot" proper before the December quarter. Extensive reef development in the "jack-pot" proper is perhaps unlikely until next year, by which time the haulages on several levels will be approaching the southern boundary. Nevertheless, there is no reason why outstanding results should not be obtained in development south of the shaft in the current quarter. What is more, the contribution of rich ore from the No. 2 shaft area should lead to a substantial improvement in profits by the end of the year.

Development in the No. 1 shaft area is again unexciting having averaged 91 per cent payable and 543 in. dwt. What is overlooked is that these so-called "disappointing" values are

virtually the same as the 94 per cent payability and 545 in. dwt. shown by the near-by President Steyn mine, which is by all normal standards a rich mine. Apart from this, it is considered that development to the south of this shaft was at a very slow pace pending completion of the connection with the No. 3 shaft (the Freddie's shaft) which now allows of more adequate ventilation. South of the shaft lie the two boreholes which assayed 1,747 in. dwt. and 6,461 in. dwt. respectively, and reef development in this section of the mine should be under way by the end of the year. This development should lead to a substantial improvement in the average values from the No. 1 shaft area.

At long last exploration of the rich southern section of the mine is getting into its stride and developments in the next six months to a year could well be such as to lead to a continuation of the steady firming in price which has been evident in the past nine months. It is indeed significant that total development in the June quarter averaging 97.6 per cent payability and 1,269 in. dwt. is noticeably better than the average development at President Brand in 1955 or in the first six months of the current year. By this time next year Free State Geduld profits should be similar to the present scale of profits, at President Brand with the prospect of a further substantial improvement. The commencement of dividend payments in September, 1957, may be regarded as certain and there would seem to be a fair prospect of a token dividend in March, 1957.

NO DISCORD AT HARMONY

Development and borehole results in the Harmony quarterly report are not exciting but the report is nevertheless reassuring. Ore reserve tonnage has almost doubled at 1,846,000 tons, being the equivalent of almost two years' milling at the present rate. This is very satisfactory when taking into consideration the Chairman's announcement at the annual meeting in November last that the ore reserves are calculated on a conservative basis in that only the ore lying immediately in advance of the stope faces or adjacent to the raises is included in the reserves. Widely spaced reef drives and raises are used, stoping being on a longwall system similar to that employed at the E.R.P.M. mine. This all adds up to the fact that in addition to the published ore reserves there are also very substantial tonnages of probable ore reserves already indicated by reef development.

It is reassuring to note that the value of the reserves at 8.5 dwt. over 54.5 in. is fully maintained, the improvement in the dwt. factor being principally due to the narrower stoping width, which has resulted from the development of reef with a narrower channel width. The maintenance of these values indicates that there has been no over-mining despite the rather lower development values revealed in the past year or so, and the high mill recovery grade of approximately 7.9 dwt. per ton. In considering the rate of advance in the 17 level twin footwall haulages which are being driven to the site of the new No. 2 shaft, it should be noted that enquiry reveals that the footages given in quarterly reports are a combination of the advances in each of the haulages. At June 30th the twin haulages were still approximately 2,500 ft. from the site of the No. 2 shaft so that the boreholes put up from the haulages to intersect reef do not as yet have any bearing on the potentialities of the rich area where the new shaft is being sunk.